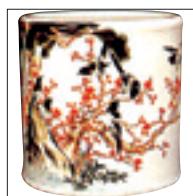


Xian apologizes to tourists beaten up by local tourism staff.



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The charm of New China Porcelain is recognized by the antiques auction market.



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Adil Hoxur, the "Prince of High-wire Walking", sets a new Guinness World Record.

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<p>Li Dong, managing director of Mitsubishi China</p>	<p>Jean-Louis Petit, president of TotalFinaElf(China) Investment Co., Ltd.</p>	<p>Michael Wilkes, senior manager Marketing and Public Relations, Volkswagen (China) Investment Company Limited</p>	<p>Masao Hisada, director & president of Hitachi (China), Ltd.</p>
<p>Hiroshi Shoda, regional chief representative of Greater China & Korea, and Chairman of the board of Sony (China)</p>	<p>Urs Buchmann, China country head for the Credit Suisse Group</p>	<p>Tomihei Shigeno, chief representative of Nissan Motor Beijing</p>	<p>Nobumasa Hirata, Chairman & CEO, Toshiba (China) Co., Ltd.</p>
<p>Franco Amadei, chief representative, Fiat International S.p.A Representative Office-P.R.C.</p>	<p>Michael Kwan, COO of Lucent China</p>	<p>Pan Li, assistant of the chief representative of ThyssenKrupp in China</p>	<p>Yang Xu, general manager of Intel China</p>
<p>Jean-Christophe Delvallet, EDF China representative</p>	<p>Jeff Song, chairman of Honeywell (China) Investment</p>	<p>Stephen C. Lee, chief representative & country manager - China, Alcoa Asia</p>	<p>Michael C. Y. Lung, president of Dow Chemical (China) Ltd</p>
<p>Amy Zhu, chief representative of Beijing Representative Office, New York Life International</p>	<p>Paul Lau, country president of Novartis China</p>	<p>Seikun Greg Minami, general manager of Bridgestone Corporation, Beijing Office</p>	<p>Rayne Zong, deputy representative of Beijing Representative Office, Standard Life</p>
<p>Wilson Chung, general manager of FedEx Express-DTW Co, Ltd</p>	<p>Kiyoshi Asano, general manager of Beijing office, Japan Energy Corporation</p>	<p>Rob Moulton, director of Johnson ControlsAsia Pacific Operations</p>	<p>Nai Fang, chief representative of Beijing Office, 3M China</p>
<p>Ekkherd Rathgeber, president of Bertelsmann Asia</p>	<p>Shioichi Yamamura, managing director & CEO of Dentsu China</p>	<p>Ben Foskett, chief representative of AMP Limited Beijing Representative Office</p>	<p>Dr. Gong Li, managing director of Sun China's Engineering and Research Institute</p>
<p>Guo Zhonghua, chief representative, Canadian Imperial Bank of Commerce, Beijing Representative Office</p>	<p>Brenda Lee, director of Coca Cola's External Affairs Division</p>	<p>Michael J Martens, chairman and president of Goodyear Dalian Tire Company Limited</p>	<p>Lai Linsheng, managing director North China of McDonald's China Development Company</p>
<p>Yun Fen Krems, chief representative of RAG Aktiengesellschaft, Beijing Representative Office</p>	<p>Roger Heng, vice president and general manager of Bank of Montreal in China</p>	<p>Kim Dong Jin, chief representative of Posco Beijing Representative Office</p>	<p>Greg Collins, vice president of Flextronics Shanghai and North China Operations</p>
		<p>Six companies among the 44 which accepted <i>Beijing Today's</i> interview did not provide photos. The photos are arranged according to the companies' ranking in the 2000 Fortune Global 500.</p>	
<p>David Chen, senior sales manager, Texas Instruments (China) Co., Ltd</p>	<p>Frederic Gossot, regional commercial manager for Air France China</p>		

Fortune Global 500 in Beijing

Beijing Home to 243 World Leaders

By Jian Rong

At least 243 members of the Fortune Global 500 have established operations in Beijing, according to an exclusive survey by *Beijing Today*.

Beijing Today's survey took two months, during which every company listed in Fortune magazine's 2000 Global 500 was contacted. With a draft list of the multinationals already present in the city, the paper contacted each office, conducted face-to-face interviews with representatives from these companies, and finally obtained first-hand statistics.

Of the 243 multinationals located in Beijing, 44 CEOs and chief representatives accepted interview requests from *Beijing Today*. They shared their achievements and experiences, difficulties and troubles, future plans, and suggestions about the city where they live and work.

Beijing Today also contacted those multinationals that have yet to arrive in the city. Most said they were interested in future investment in the Chinese capital.

This week's *Beijing Today* features an 8-page special report on the Fortune 500 in China's capital.

Fortune 500 Eye the Prize as Capital Goes Global

By Zhang Xiaoxia

Spring sunshine turns to haze in the brown windows of Beijing's World Trade Center, but a sharper light reflects from the advertising hoardings around this symbol of the Chinese capital's globalization.

The biggest names in world business are there – Ford, Microsoft, Ericsson and many more. They represent just a small part of the 243 names on the list of the Fortune Global 500 that have entered the Chinese market in Beijing – establishing regional headquarters, foreign-invested companies, manufacturing plants, representative offices and even one-man offices. Large or small, each is holding its own special conversation with Beijing in the circles of commerce.

Beijing gave birth to her first comprehensive English language newspaper, *Beijing Today*, last May 11, enabling the conversation between Beijing and the Fortune 500 to enter a new phase. As it celebrates its first birthday, *Beijing Today* has chosen to put this commercial conversation on record. The conversation reflects the globalization of Beijing, the changing and opening of this ancient oriental city.

Work on this project began in March. Hundreds of phone calls, letters and emails later, 41 CEOs, chairmen, chief representatives or their appointed representatives accepted a one-on-one interview with *Beijing Today*, while three received written interviews. Dozens of PR Managers shared their opinions.

Beijing Today also heard voices demanding change.

Living conditions are the top consideration of most interviewees, who criticized everything from environmental protection to city management.

Manufacturers seemed most satisfied in Beijing, where continuously increasing investment

demonstrates the ambition and confidence multinationals have in the city. Nokia's recently opened Xingwang Industrial Park in Beijing's Economic and Technological Development Area made the mobile phone giant the largest foreign company in Beijing.

While manufacturers are garrulous, telecom companies choose silence as they wait for clarification in the tricky field of Chinese telecommunications. Queuing for licenses outside the People's Bank of China in Beijing, foreign banks are also waiting quietly. Some expressed a feeling of frustration and preferred to look at the long term, saying China's WTO entry would not bring rapid returns to foreign bankers.

Beijing's talent pool was cited by many as an attractive feature. The city hosts China's top two universities and the best national research institutes. Sun Microsystems opened the Sun China Engineering and Research Institute (ERI) in July 2001. When Netscape 6.2.2 for Solaris shipped at the end of April, this was the company's first major worldwide product release where 80% of its engineering was done in Beijing.

According to Dr. Gong Li, the first Managing Director of ERI, the availability of a large pool of software developers, lower cost, and a growing market, are the main factors attracting Sun to Beijing. Honeywell, Microsoft and many others share the same opinion.

Beijing Today also heard voices demanding change.

Living conditions are the top consideration of most interviewees, who criticized everything from environmental protection to city management.

"Beijing should continue to improve its environmental qual-

ity," said Michael Wilkes of Volkswagen. "It influences each person's life, each child, each woman, each man."

Bureaucracy was also a major concern. McDonald's said they hoped the government could be more proactive in informing them of new laws and regulations. Siemens, Nokia and Honeywell said they believed Beijing faces challenges from other places in China competing for investment.

"Beijing should develop a comprehensive strategy (to attract investment) and work on it," says Dr. Jeff Song of Honeywell China.

Nevertheless, Beijing is changing. Ernst Behrens, CEO of Siemens China, recalled his 21 years of experience in Beijing and noted that his company abolished the expat "hardship allowance" two years ago, indicating how far Beijing has gone in closing the gap with developed cities in the West.

China and the Fortune Global 500 influence one another. While Beijing is changing, companies are changing, too.

For example, Dentsu accepts different customers from the same industry. The strategy is completely at odds with practice elsewhere, but it has gained Dentsu a preeminent position in the Chinese market.

Beijing Today sought companies' attitudes toward China's entry into WTO. They all seemed to accept the great change calmly, with a plan already arranged several years ago.

WTO entry could be regarded as a symbol – a symbol of China's opening and of the end of the "springtime" of Chinese investment. As the market opens ever wider, Beijing must step into the fierce hot summer of commerce. Beyond surely lies a fruitful autumn.

EDITOR: LIU FENG DESIGNER: PANG LEI

Giants Grapple with Change

By Jiang Zhong

The Fortune Global 500 companies who have been in Beijing since soon after the launch of the country's opening policy in 1979 have had very different experiences to newcomers with only two or three years behind them. Contrasts between different industries are greater still.

Auto industry

'Responsibility and solutions'

Chrysler set up the Beijing Jeep Corporation on January 15, 1984, the first auto joint venture in China. Since then, auto giants like Volkswagen, Nissan, Volvo and Honda have all launched Chinese operations.

The latest news comes from Hyundai Motor, who signed an agreement with Beijing Automobile Industry Co. on April 29, 2002, planning a 30-year cooperation.

"As the biggest auto manufacturer in China, Volkswagen should take responsibility for offering solutions to Beijing's traffic and environmental protection problems," Michael Wilkes (Volkswagen) says. In 2001, Volkswagen's Changchun joint venture sold 95 thousand Jetta cars in the Chinese market. One out of five of these cars are driven by Beijingers.

Last year, 164,608 new cars were sold in Beijing. Sales were worth 27.8 billion yuan. Beijing is the largest car market in China. The one who wins Beijing is the one who wins China.

Bridgestone set up its first Chinese factory in Shenyang in 1999, and the second soon followed in Tianjin in 2000.

Goodyear has also seen success in the largest potential auto market. Its products have been used by many of the auto giants in China.

Banking and insurance

'Chinese market not open enough'

Owing to restrictions in the country's reg-

ulations on banking and insurance, companies in these two industries haven't been able to carry out their operations in their traditional way or in accordance with international norms. Most of these companies have therefore adopted a wait-and-see attitude toward the developing market.

CIBC has chosen an even more conservative attitude. They are waiting and willing to say nothing.

At the same time, insurance business turns out to be facing a clearer situation in China. Manulife Sinotech Life Insurance, a China-Canada joint venture, was licensed to open a branch in Guangzhou by the China Insurance Regulatory Commission on the same day as China's entry into WTO.

After a quick marriage with Chinese Haier Group, New York Life is enjoying the honeymoon with great confidence. The American International Group also gained four licenses in Beijing, Suzhou, Dongguan and Jiangmen.

Electronics and IT

'Cooperation and localization are most important issues'

Compared with the international branded motor industry, Made-in-China is more frequently found on electronics or IT productions. China has been regarded as one of the world's premier manufacturing centers since her entry into WTO last December.

The development of the Internet is promoting the spread of Sun's products in China. Sun's revenue in China has increased five times in the past five years, at an annual rate of over 40 percent.

The Chinese talent pool is also attractive. Sun opened the Sun China Engineering and Research Institute (ERI) in July 2001. When Netscape 6.2.2 for Solaris shipped at the end of April, this was the first major world-

wide product release where 80% of its engineering was done here.

Microsoft has the largest foreign-invested research center in China. Their 150 staff in Beijing are part of the third biggest research center of Microsoft in the world.

Even at a tough time of falling revenues, endless layoffs, and tobogganing stock prices for most multinational players in the world telecommunications market, Lucent China still enjoys the rapid growth that has characterized its China operations since it first entered the market in 1996.

The company's slogan "In China, for China and with China" shows how important localization is for the telecommunications giant.

Founded in 1969 and having entered China in 1994, electronic manufacturing services provider Flextronics has built an Industrial park in Doumen, Zhuhai.

Heavy industry and chemicals

'Some happy, some frustrated'

Alcoa Asia says it is satisfied with operations in China. Although three of its five factories have yet to live up to expectations, Alcoa is continuing to invest in them because of their confidence in the Chinese market's further development.

French-based Saint-Gobain established its representative office in Beijing in 1985. The company now has one holding company in Beijing, 10 joint ventures, 10 WOFES, seven representative offices, four commercial companies and 4,300 employees around China.

In the year 2001, RAG, the diversified mining and energy group, earned 500 million euros in China, and had more than 1,800 Chinese employees on its payroll.

RAG has invested 1 million Deutschmarks to extinguish an underground fire in Xinjiang. Now it runs smoothly and is ac-

complishing satisfactory results.

Japan Energy came to China no later than other giants like Exxon, Shell and BP, but it doesn't occupy a large proportion of the Chinese lubricant market. Its sole product in China is JOMO lubrication oil, which has been pirated.

Service industry

'A boom market'

Dentsu opened its Beijing Office in 1980 and has since invested in eight joint-venture advertising companies.

"The huge profit of Dentsu in China reflects the huge market potential of this country, and it is also due to our strategy of "developing and growing up together with Chinese enterprises", said the company.

FedEx has emphasized Beijing's specific role in its development in China.

"We do not merely mean to enter the Chinese market. We need to cover a more wide range of our service areas."

FedEx services now are available in 202 cities in China.

The low labor cost and high consumption ability of the 1.3 billion population has already turned China into a paradise for international retailers. In 2001, the total sales of international retailers nearly reached 30 billion US dollars. More than 300 foreign retailers have invested 2 billion US dollars in the Chinese market since 1992.

The March Sales Report of Wal-Mart store, No.1. on the list of the Fortune Global 500, reached 21.489 billion US dollars in the five weeks before April 5. At the beginning of last December, Wal-Mart launched its Shenzhen Global Purchasing Center.

The world's second largest retailer, Carrefour, has surpassed Wal-Mart since its entry into the Chinese market in 1995. It now has 27 stores and a Shanghai Global Purchasing Center.

Challenging Cooperation

By Xiao Rong

"Foreign banks are not all powerful. Chinese banks boast unique advantages in client resources and local regulations," says Guo Zhonghua, chief representative of the Beijing Office of CIBC.

"Cooperation between foreign banks and Chinese banks may prove to be the greatest challenge to Chinese banks. The cooperation with Chinese banks is only a transitional way of foreign banks for further development in Chinese market."

Too Cheap to Compete

By Jiang Zhong

Nissan, Volkswagen and Fiat have the same opinion on the phenomenon that certain cheap cars sell well in Beijing market.

"The fact that some 30,000-yuan cars sell well in Beijing market shows the immaturity of the market," said Tomihei Shigeno, Chief Representative of Nissan Motor Beijing Office. "The government should offer more effective financial support for auto consumption."

Michael Wilkes, Marketing & Public Relations Senior Manager of Volkswagen (China) Investment Company Limited, said, "It is impossible at present for Volkswagen to produce such a car. Production quality, environmental friendliness and safety are the three crucial criteria for each Volkswagen product. A car that meets only these three points should be over fifty thousand yuan."

Franco Amadei, Chief Representative of Fiat International S.p.a. Representative Office-P.R.C., said, "Fiat cannot offer a state-of-the-art product with such a low price. In other words, it is impossible for a consumer today to buy a real modern car at a price around 30,000 yuan."

Globalization Diminishes Brands

By Jiang Zhong

Franco Amadei, Chief Representative of Fiat International S.p.a. Representative Office-P.R.C., says globalization of the international auto industry is making the role of brand names less important.

"Even the strongest auto manufacturers buy parts worldwide. So all part suppliers have respective profitable niches. One enterprise's success in its niche is its success in the whole industry. The Chinese auto industry should improve its presence in auto parts manufacturing and new-concept car development."

Fashion Fuels Mobile Development

By Su Wei / Chen Ying

Fashion triumphs over function in the Chinese mobile phone market, says David Chen, Senior Sales Manager and Semiconductor Sales & Marketing, Texas Instruments (China).

"Mobile phones' functions are more likely to be ignored by Chinese users," says Chen, who argues that most Chinese use mobile phones only to send and receive short messages.

In contrast, advanced functions offered by service providers dominate the Japanese mobile phone market.

KDDI and NTT dominate the service market, splitting it about 30-70. Consumers focus less on the brand of mobile than on the services provided by these two companies.

'Technology takes precedence'

By Su Wei

Texas Instruments (TI) stands out from the competition through its dedication to technology, says David Chen, Senior Sales Manager, Texas Instruments (China).

According to Chen, TI began a Chinese University Program as early as 1993 that was formalized in TI's China strategy, which was

announced in 1996. TI has gone on to establish 47 labs and technology centers in 50 universities, including Peking University, Tsinghua University, and Shanghai Jiaotong University.

Students at undergraduate and graduate level receive DSP technology training through the TI programs. Chen says TI's pri-

mary concern is that students should become familiar with TI's DSP technology and be able to put research into practice.

Three adult DSP training centers have been opened in Shanghai Jiaotong University, Tsinghua University and Chengdu Electronic, Science and Technology University.

Chen says TI also helps its cus-

tomers to establish DSP labs. Two TI-invested joint ventures - DigPro in Beijing and DigVision in Shanghai - were established in 1999 to provide chip designs, software development, reference designs. A third lab, COMMIT, was established in Beijing early this year in cooperation with domestic and foreign companies.

In turn, with the help of Taikang, CS Group China has operations in over 20 Chinese cities.

Buchmann emphasized that CS Group is very flexible in its system. "We'd like to provide advanced technology to Chinese partners. In addition, we can also help our Chinese partners to enter the European and global markets."

Own countries. Posco thus set the lead in this area.

Key to the fast growth of Posco's joint ventures is to hire capable local employees and to send them to Korea for regular training both in technology and management.

Model of Cooperation

By Zhu Lin

Credit Suisse Group's strategic partnership with Taikang Life, the fifth biggest Chinese insurance company, provides a successful model for foreign financial enterprises to invest in China.

CS Group's business in China includes investment banking and insurance. It has had a coopera-

tion relationship with China since the 1950s, and in 1985 it established a Beijing representative office, followed by the opening of the Beijing representative office of Credit Suisse First Boston in 1993.

Urs Buchmann, China Country Head for the CS Group, said, "China is such a big market that no

bank can grasp it individually. So, we think the best way is to find a partner in the Chinese market. That's why we cooperate with Taikang Life."

Before 1998, two years before CS Group became Taikang's shareholder, a technical team from CS Group was already directing computer work in Taikang.

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Posco Breaks Mould

By Miao Yajie

Posco set up its Beijing representative office in April 1991, and after five years careful study, they invested US\$8 million to establish a distribution and service center in Tiajin in 1996, and three joint

ventures in Zhangjiagang (Jiangsu Province), Dalian (Liaoning Province), and Shunde (Guangdong Province). By the end of 2001, Posco had invested US\$500 million in China. Their business in China accounts for one third of their overseas business.

According to Chief Representative Kim Dong Jin, Posco's success is due to its localization strategy. Since iron and steel is a high-investment, slow-profit industry, other leading companies in this field were hesitant to invest outside their

own countries. Posco thus set the lead in this area.

Key to the fast growth of Posco's joint ventures is to hire capable local employees and to send them to Korea for regular training both in technology and management.

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KDDI and NTT dominate the service market, splitting it about 30-70. Consumers focus less on the brand of mobile than on the services provided by these two companies.

Bertelsmann Enjoys Mainland Elbow Room

By Shan Jinliang

Bertelsmann began to establish its "Oriental Empire" in 1995, when Shanghai Bertelsmann Cultural Industries Corporation was set up.

In the following seven years, Bertelsmann has become involved in book clubs, online bookstores, professional consulting, and lo-

gistics and information technology. The five-year-old Bertelsmann Book Club is actually the most important of its businesses in China, although it has yet to move into profit.

Bertelsmann's expansion strategy was fuelled by the introduction of its flagship magazine National Geographic through co-

operation with Liaoning Education Press.

3M Adopts Tougher Standards

By Sun Ming

US-based multinational 3M introduced a Raised Pavement Marker (RPM) that can improve safety for night drivers in China in 1999.

To 3M's surprise, the RPM failed the product test, as the company had not taken into consideration the fact that load-bearing requirements in the USA are lower than in China.

"Traffic violations among Chinese drivers are more serious, so the possibility of violation should be considered thoroughly," explained Cheng Xiangyang, 3M's technical service supervisor.

"Therefore, the standard pressure resistance is much higher than it is in the States." The Chinese technical staff of 3M made structural improvements and finally produced the new "RPM with Chinese characteristics" in 2000.

Toshiba & BMO Take Center Stage

By Chen Ying / Zhao Hongyi

On November 1, 2001, Toshiba (China) moved its offices into the Oriental Plaza, one of the most advanced IT-equipped office complexes in China.

Bank of Montreal (BMO) moved its offices into Oriental Plaza at the beginning of April. "The office change shows our business increasing in China," said Roger Heng, vice president and general manager of BMO.

With the Ministry of Foreign Trade and Economic Cooperation, the Beijing Municipal Government, the Forbidden City and Zhongnanhai nearby, Toshiba and BMO have selected an office location in the cultural, economic and governmental heart of the country, making it convenient for them to make quick decisions to deal with any challenge.

Fiat Pushes 'Auto Culture'

By Jiang Zhong

"Critical customers are very important for developing an immature auto market like China," says Franco Amadei, China Chief representative of Fiat International.

"Chinese auto consumers don't have auto culture yet. Their purchasing decisions are largely influenced by car prices and what the market can supply them. It is difficult for Fiat, who has been supplying state-of-the-art cars to worldwide consumers since 1899, to build a modern model with the latest innovations at such a low price."

Amadei said Chinese auto manufacturers need time to catch up with the modern auto industry. They can learn from the experience of foreign manufacturers and avoid making the same mistakes. Importing foreign technologies and carrying out international cooperation may also provide a shortcut for fast development.

"Consumers with auto culture background would help diversify the Chinese auto market," said Amadei. "They will choose cars of their own free will, which will decide the orientation of manufacturers."

Sharing the Rules of the Game

By Zhu Lin

"China's entry to the WTO brings additional opportunities to extend dialogue with the regulatory authorities of business partners," says Urs Buchmann, country head of Credit Suisse Group, China.

"This is very encouraging. Since China entered the WTO, we have seen things never seen before. Before a new law about the securities industry came out, the regulatory authority invited our suggestion on the draft. That never happened before."

Buchmann said he hoped the spirit of WTO would really be implemented.

"China needs genuine competition. Give foreign companies a real opportunity to earn money, because it will make the domestic industry rich. I'm confident that China will do that, because that's part of the work to make China a stronger nation."

Investment, Cooperation Key to Future Fortunes

By Li Dan

The future is unwritten. For the global 500, the future in Beijing means profitable opportunities, as well as risks, and challenges they may have never faced.

In all the major projects these companies are undertaking, there are many problems to solve. But in discussing each concrete problem or project, two words recur - investment and cooperation.

Investment

Most of the companies agree they will increase investment in China in the future.

Goodyear is considering expanding its production to radial tires for buses and trucks. It is confident production of radial tires for passenger cars will increase from the current 1.9 million to 5.3 million in the next five years.

Bridgestone says it will establish a tire factory south of the Yangtze river.

"TFE hopes to invest and participate in large wholesale and retail business of oil-related and chemical products, as well as oil and gas-related projects," says Jean-Louis Petit (TotalElf).

Novartis' investment plan includes doubling the size of the Novartis Pharma Changping Plant.

According to Jason Chen (Intel), Intel invested a further US\$300 million in Shanghai last September to enlarge a chip plant.

"China will become the second largest semi-conductor market in 2010," says Chen. "Intel has invested in over 27 projects and is still looking for new projects in the future."

Cooperation

All the CEOs interviewed agree that cooperation is important for their future development. But who is the ideal partner? Different entrepreneurs have different ideas.

With Government

"As the biggest auto manufacturer in China, we should take responsibility for offering solutions to Beijing's traffic and environmental protection," says Michael Wilkes (Volkswagen). "We have offered some suggestions and held exhibitions on traffic management. This year we will introduce a computer-based traffic management system to the local authority."

SK Corp. has cooperated with the Shanghai government to establish a fund for researching life science medicine. SK Corporation and SK Evertec have jointly established SK Unlimited Life Science Venture Capital Union, a new business model in the Korean life sciences venture market.

With enterprises

Texas Instruments (TI) and Legend Holdings Limited, China's leading PC maker, began working together in 1999. This year, Legend will develop its first GSM/GPRS handsets and wireless Internet devices based on TI's OMAP processors and TCS chipset solutions. TI will also seek further cooperation with Legend on the design and development of short distance wireless, wireless local area network (LAN) and other telecom products.

"Legend has the capability of assisting TI to obtain the large Chinese market," says David Chen (TI). "TI may say Legend is TI's customer. But TI would prefer to call Legend TI's partner."

According to Scott McNealy (Sun), Sun will expand its Chinese branch company into the largest one outside the United States in the next five to 10 years. Sun has already cooperated with China Mobile, China Unicom, China Netcom and certain Chinese banks. McNealy says Sun also wants to build relations with medium and small businesses.

Using Nissan's technology, Fengshui's Bluebird series has been a great success in the Chinese auto market. This year, Nissan's e-Equipment concept will be adopted for the Bluebird III.

"The cooperation between us is effective and fruitful," says Tomihei Shigeno (Nissan). "Nissan will offer technical aid to any operation using Nissan technologies."

With Universities

A five-year "Japan-China Advertising Education Communication" program was carried out from 1996 to 2001 by Dentsu Inc. Lectures on advertising were given by experienced Dentsu staff in six famous Chinese universities, while teachers from the universities were invited to Dentsu headquarters for further study.

"We are going to launch a three-year project of "China-Japan Marketing Research and Communication" based on the previous program," says Shoichi Yamamura (Dentsu).

As two of the earliest Japanese corporate investors to China, Hitachi and Toshiba understand how important cooperation with local educational institutions is.

Hitachi set up a "China CyberGovernment Square" in Beijing Polytechnic University last October to promote "Digital Beijing" project. It is

now seeking further opportunities for cooperation to improve and update this undertaking.

Toshiba also has a broad spectrum of cooperation with Fudan University, the Communication University of Xi'an, Zhejiang University and Tsinghua University. The Japanese giant has launched a long-distance education project in Shanghai in cooperation with Fudan.

New strategy

Companies like Sony, Honeywell and Lucent are refining their strategies for development in the China market.

Sony introduced their "Ubiquitous Value Network" concept to China last year. The concept enables devices and products seamlessly to access the network and connect with each other at any time, from any place. "Our goal is that with one TV, you can do everything," says Hiroshi Shoda (Sony).

Honeywell announced the establishment of its Software Solutions Lab-Beijing on March 27. The Beijing lab serves as Honeywell's premier software center, providing software engineering services and software-based products and solutions. "This is a triumph for the Chinese market," says Jeff Song (Honeywell).

For its part, Lucent has developed a new organizational system in China that is no longer based on products but on six business regions - Beijing Headquarters, North China, South China, Central China, North-west China and South-west China - focusing on "total networking solutions".

Effective investment, a good partner plus a proper strategy are the keys to winning for these giants.

EDF Looks West

By Jiao Pei

The EDF Group was one of the first foreign companies to go in the west of China (Laibin B project in Guangxi), says Jean-Christophe Delvallet, EDF China representative.

"There is a big potential in the west, producing electricity faraway from large cities and transporting

it to areas of high demand. We are a state-owned company, which has a history of cooperation with government. We fit in with the "Developing the West" policy set by the Chinese government and will follow it in the future."

EDF has diversified from its roots in the nuclear power sector. Project manager Zhou Wei says

the company is offering services and solutions for the 2008 Olympics in Beijing in the fields of energy and environment, urban services and sport site. "For Canoe Kayak games we want to contribute with our technology and experience from the Sydney and Athens Olympics. Now we are preparing, listening to suggestions from different authorities, and trying to adapt to the special conditions of Beijing to meet its needs. We can offer a package from the very beginning to the post-Olympics phase."

This Feb. the EDF Group decided to establish its Asian Branch headquarter in Beijing and reinforce its China policy



Jean-Christophe Delvallet,
EDF China representative
Photo by Qu Liyan

Johnson Waits for Service Green Light

By Chen Ying

Johnson Controls is eager to obtain a service license in China in the wake of the country's WTO entry.

Johnson Controls provides equipment and automation management systems for buildings as well as automobile production lines. Its Beijing branch mainly focuses on energy-sav-

ing, environmental control, fireproofing, lighting and industry control equipment, which has been installed in many large buildings in the capital, such as Beijing Oriental Plaza, and Beijing Henderson Centre.

But the company is not satisfied with just selling the equipment. "As a building company, we need to be

close to the building, close to our customers," said Rob Moult, director, Asia Pacific Operations.

"If we only sell production as a trading company, we can do that from Hong Kong."

Johnson Controls currently services the equipment it installs, but its aim is to operate the whole build-

ing.
"We don't have a service license because we're a foreign company," said Moult. "Therefore we can't support customers on 75 percent of their costs. Service is the core of our business. Once we have the opportunity to be in service, we'll triple or quadruple in size."



Rob Moult,
director, Asia Pacific Operations of Johnson
Controls
Photo by Qu Liyan

Sun Grows Research in China

By Sun Ming

Sun Microsystems opened the Sun China Engineering and Research Institute (ERI) in July 2001.

According to Dr. Gong Li, the first managing director of ERI, availability of a large pool of software developers, lower costs, and a growing market are the main factors that make China an attractive place to start such an undertaking.

ERI is primarily a software R&D facility, headquartered in Beijing. It was set up as a peer to Sun's

R&D facilities in the US and other parts of the world. As such, ERI's product and technology focus is on global products. It is more focused on engineering - or product development - than pure research.

For a number of years, Sun has been driving an initiative called GlobalEngineering, which aims to shift more than 51% of its R&D activities outside of Silicon Valley, where Sun was founded 20 years ago. Globalizing Sun's engineering work force not only ensures that Sun can tap into the vast talent pool around the world, it is also a

strategy to mitigate risks.

Dr. Gong, who is a native of Beijing with study and work experience in the UK and the US, says he is very excited to bring back to China not only core technologies from Silicon Valley, but also its engineering culture.

"Once our engineers walk through the doors of ERI, we want them to feel as if they are in Santa Clara," he says. "We even shipped our brand new furniture all the way from the US. We recruit the brightest minds, who want to innovate and want to have an impact

on the world. Sun offers a great platform for great engineers to perform and achieve. Java is a primary example."

When Netscape 6.2.2 for Solaris ships at the end of April, this will be Sun's first major worldwide product release in which 80% of the engineering is done in China (the other 20% was done in the US). Since July 2001, ERI has grown to over 100 people. Sun's plan is to grow it to 450 people over three years. To accommodate its rapid growth, ERI will move into Tsinghua Science Park in May.



Dr. Gong Li,
first managing director of Sun China's
Engineering and Research Institute
Photo provided by Gong Li

Hitachi Inspires Rapid Progress

By Chen Ying

Hitachi launched a new brand management program, "Inspire the Next", in September 2001. On the basis of this program, Hitachi plans to increase its sales in the Chinese market to US\$4.5 billion in 2005 from US\$1.15 billion in 2000.

Hitachi focuses on developing information technology, electric devices, consumer appliances and digi-

tal media in China.

Among the information and communication fields, Hitachi stresses the development of four projects - a bank deposit plan, next generation communication network technology, applied finance terminal technology and e-government and e-business systems.

To develop these projects, Hitachi set up an R&D center in Hi-

tachi (China) in 2000, including two research offices - one dealing in mobile phones, and the other studying next generation mobile network systems.

The company also cooperates with local academies. Hitachi set up the China CyberGovernment Square in Beijing Polytechnic University on October 16, 2001 to promote its e-government ideas in Beijing.

Tsinghua-Hitachi Ubiquitous IT joint lab was created on October 22, 2001. Cooperating with one of China's most famous universities, Hitachi wants to develop research on IPv6 next generation mobile network systems, construction for next generation mobile network architecture and service quality control systems for next generation mobile networks.



Masao Hisada,
director & president of Hitachi (China), Ltd.
Photo by Qu Liyan

Intel Chips into Cell Phones

By Yang Xiao

Intel China's development is set to rely increasingly on telecommunications, says Yang Xu, general manager of Intel China.

"Just a few years ago, there was no chip technology in the telecommunications field, but now, with more and more visual, audio and digital

communication which needs powerful chips, the field invites Intel to come into play."

In February, Intel introduced a new family of microprocessors specifically designed to bring high performance and long battery life to wireless communications devices. The added performance and power

savings from the new Intel processors come at a time when significant amounts of data are beginning to be processed on wireless devices.

"Consumers today want to access the Internet, share information and stay connected wherever they go, and that puts significant processing demands on their cell phones and personal digital assistants," said Peter Green, General Manager of Intel's Handheld Computing Division. "These demands will only increase over time. The new Intel XScale microarchitecture-based processors deliver longer battery life and increased computing power for accessing the Internet."



Yang Xu,
general manager of Intel China
Photo provided by Intel China

Companies Worry, Whine and Wail about Their Experience in China

By Ivy Zhang

For the 44 Fortune 500 company spokesmen and spokeswoman interviewed by *Beijing Today*, when it comes to operating problems, most don't want to comment.

But some do take a chance on speaking up. China is not a utopia, they politely suggest. Foreign companies promoting their business confront problems of all different kinds.

Here is a summary of the problems our reporters were fed when interacting with representatives from 44 big fish.

Regulatory environment

When doing business in China, foreign companies find regulations totally different from other places. Some complain the government regulates too much.

"In western countries, the economy more or less develops in a natural way," said Greg Collins (Flextronics).

"But in China, if the government doesn't do anything to regulate the economy, they are afraid of impropriety in the direction of economic development. Also many western companies have to plead for clarification of unique economic rules in China which they haven't experienced or seen in other countries."

Companies like Bridgestone and Dentsu target the problem in a more specific, less sensitive way.

"The Chinese government still has stringent control over import quotas for natural rubber," said Seikun Greg Minami (Bridgestone).

Shoichi Yamamura (Dentsu) said, "Sometimes when our business was in a specific period, it would have to be stopped by some related organizations due to our lack of certain knowledge about regulations in China."

Market restrictions

Like the regulatory environment, the Chinese market restrictions prevent foreign companies from pursuing their business at full steam. As the market is not fully open, it's hard to plan.

Foreign insurance companies anxiously await operating licences. They have no idea about when and how to obtain one, according to AMP of Australia and Standard Life Insurance Corporation of the United Kingdom.

The first obstacle for Honeywell does not lie in the opening of market, but the value of the Chinese market. Honeywell started to invest in China in 1995.

"If judging the market only by statistics like GDP, underestimation is inevitable, while if based on buildings in the city the result will be exaggerated. Honeywell did overestimate the Chinese market with its first investment," said Jeff Song (Honeywell).

Investment environment

The lack of advanced and complete financial systems in China causes trouble for foreign financial institutions in their business development.

"The most tricky barrier is the lack of a personal or business credit system in China," said Guo Zhonghua (Canadian

Imperial Bank of Commerce).

"It's difficult to learn basic information about our clients. The huge fortunes of some of our clients, for instance, are hard to define as legal income."

Local protectionism thrives. "I don't understand why the pickup was restricted in the capital. There is no problem with the safety and emissions of the Nissan pickup," said Tomihei Shigeno (Nissan).

Information industry

In the information era, all businesses pay attention to the collection of information. But the information system in China is rarely able to help them locate what they want. IT companies especially suffer from the spin-offs.

"A major problem we met is finding raw materials. And a direct reason for this problem is the lack of a smooth information flow in China. The IT industry in China is less developed, and it is very hard for 3M to obtain information on suppliers and distributors of raw materials," said Cheng Xiangyang (3M).

Business partners

When teaming up with local partners, some foreign companies are dissatisfied with their other half and they find it difficult to forge a happy marriage.

"Texas Instruments has established a relationship with ten odd Chinese mobile phone manufacturers. The biggest problem faced by the Chinese manufacturers are their comparatively low technology standard," said David

Chen (Texas Instruments).

Ben Foskett (AMP) explained further. "It's difficult to find a partner. Is it just money? Is it political connections that you need to make things happen? Is it the distribution capability? There are a whole range of issues we need to consider in selecting our partners."

Others

An old Chinese saying goes, "Each has his own hard nut to crack" or "To each his own trouble (一家一本难念的经)."

Each company has its own particular concerns.

Goodyear is concerned with the education of consumers.

"It seems Chinese users lack knowledge about how to obtain the best results using our tires. Some are used to using over-inflated tires to run faster, but the stability will be reduced."

"Some may also ignore when there is no air in the tire and keep on driving. These two trends are real problems," said Michael J Martens (Goodyear).

Shoichi Yamamura (Dentsu) said the market environment in China is very complicated. "Some clients may default the fund, which is mainly due to their poor management."

The diversity of regions between East and West is a problem to ThyssenKrupp. "It is difficult for the company to hire a qualified clerk in an undeveloped area," said Pan Li (ThyssenKrupp).

Chinese Mechanics Compete

By Jiang Zhong

To some, the Nissan International Service Technical Excellence Contest might seem simply like a contest for car mechanics.

But Nissan sees it as more than a contest. The company calls it a celebration of technical excellence and procedure. It isn't enough for mechanics to fix the vehicle, but they have to show respect for the customer and their property. Competitors lose marks if they don't put use a seat cover or floor mat protector because that's part of standard operating procedure.

The contest has been held in Japan once every two years during the past 12 years. Chinese mechanics participated in the contest six years ago, and they have been successful.

Yuan Junhai, 33, of Beijing Nissan Authorized Service Center, won second prize in Japan in 1997. Jiang Shuiqiu, Guangzhou Dah Chong Auto (Nissan) Service Company, won third prize next in 1999.

The 2001 global contest was postponed until this October due to September 11th events. However, the Asian selective trial went ahead anyhow. The top three mechanics all come from China: Beijing, Hong Kong and Taiwan.

All Nissan dealers in China have been asked to participate in the event, through which Nissan expects to improve its service quality in China.

Novartis Proud History

By Zhu Lin

Established in 1997, Novartis China's best business is in pharmaceuticals. "The compound growth rate has been 20 percent in the past five years," says Paul Lau, Country President of Novartis China. In 2001, sales of Novartis China were 1.06 billion yuan, posting sales growth of 12 percent.

The history of Novartis in China can be traced back to 1886, when Swiss company Geigy began to promote dye-stuff in China. Johann Rudolf Geigy had started trading in dyed goods and spices in Basel, Switzerland in 1758.

In 1979, Ciba-Geigy set up its Beijing representative office and in 1987 founded Beijing Novartis Pharma. In 1996, Ciba and Sandoz merged to form Novartis, and Paul Lau came to Beijing to direct the merger in China. Novartis Country Organization China was established in Beijing in 1997.

"It was a hard time," said Lau, recalling the merger period. "But I've managed to keep the talent for Novartis."

Lau is confident about his ability to judge people. "During a short meeting, usually I can tell whether or not this person can fit into my team," he said.

Talking about the Beijing market, Lau said, "The Chinese market has been growing very fast these years. But Beijing is not our biggest market in China. Maybe Shanghai is."

We Are Instruments

By Su Wei

TI (Texas Instruments) staff seldom say "I" or "we". When TI staff talk or chat with non-TI staff, they say things like, "As TI has seen," or "TI once said".

Beijing Today would ask a standard question during interview, like "What do you think?" and Nie Xiaoli, manager of corporate and market communications, or Wang Yiqi, specialist of corporate and market communications or David Chen, senior sales manager of semiconductor sales & marketing would answer, "TI thinks" or "TI believes".

It even began to infect the reporter who started to ask questions like "What are the future plans for TI?" or "It seems that TI..." and so on.

Insurance Firm Wrestles with Books

By Ivy Zhang

Waiting for its operating license, AMP meanwhile addresses a shortage of actuaries and distribution methodology in China, according to Ben Foskett, chief representative of AMP Limited Beijing representative office.

AMP, the 153-year-old insurance company based in Australia, set up its representative office in Beijing in 1997.

"When our business is up and running, we'll need a strong actuarial profession in China. There are very good actuaries in China, but they are far too few," Foskett said.

He told *Beijing Today* there are less than 20 internationally qualified Chinese actuaries in China. In contrast, there are somewhere between 120 and 150 internationally qualified actuaries in AMP's head office in Sydney, Australia.

"Australia represents about 30 percent of our global business," Foskett said, "We are among the top 25 insurance companies in the world. China is very short of internationally qualified actuaries."

As to the distribution methodology, foreign insurance companies need to employ agents to sell their products under the existing rules

— companies like China Life, Ping An, Taikang and China Pacific.

"Identifying, training and keeping a professional high quality distribution force will be a big issue for us," Foskett said.

By far, the majority of life insurance in China is sold by individual agents based on face-to-face conversations with people. Whereas in Australia or UK, USA or Europe, there is a whole range of distribution methodologies including agents, brokers, independent financial advisors, direct sales by advertising and the Internet.

"As to the distribution methods,

AMP is going to deploy in China, the answer depends on what we are allowed to use because the distribution is strictly controlled at the moment," Foskett said.

"It's predominately agents working for individual insurance companies. There is no such thing as a financial advisory network in China at the moment, but I think it will come."

"As to when, I think it's very difficult to put a time on it because China moves very slowly. Suddenly, they make a big move. But things will be very different to what we see today in the next five or ten years."

also suffer from this, he says.

"The locals even prefix Ri Chan Xing (Nissan Style) before the brand of the product," he said.

"Anyhow," he gives a long sigh.

"We made profits for the first time last year — 25 million yuan before tax, which shows that our situation is becoming better and better. I think with the fulfillment of Chinese government's WTO commitments, we will have a bright future."

Fake Pickups Niggle Nissan

By Jiang Zhong

Chinese bought 100,000 pickups last year, 80,000 fake.

Tomihei Shigeno, chief representative of Nissan Motor Beijing, is disappointed.

He highlights the figures with a red marker and says, "Our assembly line in Zhengzhou can output 30,000 pickups annually. But we only sold 7,000 last year, the best result since 1996 when the first Zhengzhou Nissan pickup rolled off the line. We had to cut

down output to minimize losses."

Regional protectionism is responsible for the situation, says Shigeno.

"Our pickup is suitable for city and country use. I often see people transport large goods such as bicycles in half-open trunks of their cars down Changan Avenue.

Locally made pickups of inferior quality and tragic safety performance sell well at prices half that of a Nissan product, he says.

"These manufacturers have no

modern production means, economic scale and most importantly, the consciousness of responsibility for the drivers' safety, not to mention consciousness of customer service.

"However, their products sell well in their respective province, because the local government has imposed trade barriers against superior Nissan products in the name of protecting its local native industry."

Other foreign manufacturers

also suffer from this, he says.

"The locals even prefix Ri Chan Xing (Nissan Style) before the brand of the product," he said.

"Anyhow," he gives a long sigh.

"We made profits for the first time last year — 25 million yuan before tax, which shows that our situation is becoming better and better. I think with the fulfillment of Chinese government's WTO commitments, we will have a bright future."

Catch 22 for Construction Company

By Wang Dandan

Shimizu Corporation entered the Beijing market in 1984.

"We came for the public bidding of the Capital Mansion," said Zhu Shuangrong, Beijing office representative of the Shimizu Corporation. "We won the bidding as a matter of fact. However, the policy at that time didn't allow any foreign construction companies to undertake the whole building's construction," she said.

Shimizu's strongest concern is when China will completely open up policy to allow pure

foreign construction companies to engage in construction in Beijing.

"It was the policy, you see, at that time, that a foreign construction company was not allowed to manage all of construction, only part of it," Zhu told *Beijing Today*.

Real estate has been developing fast in China and is attractive to construction companies.

"We hope that one day local people can live in an apartment totally planned, designed, constructed, managed and maintained by Shimizu Corporation,"

she said.

"We will invest more in China when the policy is totally open to foreign construction companies after the entry to WTO and it will not be a long time after."

Each time Shimizu starts a new construction project in cities in China, the company must apply for a certificate in that city, she explained.

"It would be better if the government regulate a certificate that suits all cities in China. However, on the one hand, whenever we want to apply for a project, we have to get the con-

struction certificate."

Without the certificate, no project is allowed to start, she said.

"On the other hand, we won't

be given the certificate without an approved project. We are trapped in a classic Catch 22."

Chinese workers are very hard working and intelligent, she said but they still need to learn more about professional construction standards.

"And we hold different ideas," she said.

For example, when making a door, it is necessary to assure the door quality and never let users come back and complain.

"We ran into a case in Panyu, Guangdong province, when we built storage for a factory.

"The worker didn't follow the rules and later there were some cracks on the wall. We compensated the factory for the inconvenience caused."

It was a small case, but worth remembering, said Zhu.

"I've been working here since opening and reform began and hoping before I get too old, the policy will be opened to foreign construction companies."

Pharmaceutical Firm Focuses on Intellectual Property Rights

By Zhu Lin

Novartis' chief concern in China's pharmaceutical market is intellectual property rights.

"The protection of intellectual property rights in China has been improving steadily and significantly over the past decades,"

said Paul Lau, Country president of Novartis China.

"I fully believe that with China's accession into the WTO, the enforcement and implementation of relevant laws and regulations will be further strengthened."



Respect Pays Off with Post-it Notes

By Sun Ming

3M (Minnesota Mining Manufacturing) allows their research workers to spend 15 percent of work time doing their own personal business. If inspiration rushes into their mind or they think some assumption will be effective, the company encourages them to take it into research, regardless of its relationship to their own work. There is one very famous example.

In 1968, 3M research scientist Spence Silver developed a new adhesive, which formed itself into tiny spheres with a diameter of a paper fiber. The spheres would not dissolve, could not be melted, and were very sticky individually. But they did not stick very strongly when coated onto tape backings.

Silver knew that he had invented an unusual new adhesive but he didn't know how and where it could be used. So he started giving seminars and presentations on his adhesive.

The strange adhesive intrigued Art Fry, a new-product development researcher who had attended one of Silver's seminars. Fry used to be frustrated at how his scrap paper bookmarks kept falling out of his church choir hymnal.

In a moment of pure "Eureka," Fry realized that Silver's adhesive could make for a wonderfully reliable bookmark. The broader concept of the Post-it Notes soon followed, along with paper tapes and labels using Silver's adhesive.

Fry insisted 3M as the company to do it. From 1981, 3M began to produce products and now Post-it Notes have become one of the best known of all 3M products.

Mitsubishi Manages Information Network

By Li Dan

Mitsubishi has the biggest information center in Japan. The Japanese giant's headquarters has an amazingly powerful information network that monitors the world.

Everyday research fellows collect information, analyzing foreign exchange rates, trends, stocks and especially oil prices.

"You can find house prices in Santiago, Chile, or the latest prices of cabbages in Moscow from any computer in the headquarters of Mitsubishi in Tokyo," says Li Dong, managing director of Mitsubishi China.

"In the days before advanced computers, the daily faxes we sent out to other cities could circle the earth more than three times," says Li.

As Mitsubishi has this worldwide analytical network sometimes they are faster getting the latest news than an embassy. They report earthquakes, fires and floods and even political events around the world.

Breakfast Coupon McBrainwave

By Sun Ming

Managers of Beijing McDonald's spend 15 minutes on open free talk when they hold monthly meetings. They just chat with colleagues about something they find interesting and not necessarily connected to the company.

In 2000, an employee complained he couldn't snatch enough time to have breakfast at home and had no place to buy food on his way to McDonald's. Such complaints also came up among others.

From then on, McDonald's started its breakfast coupon campaign, handing out discounts to frantic commuters scuttling to work.

Companies Suggest Capital Better Shape Up after WTO

By Zhao Pu

Foreign companies of the Fortune Global 500 offered their suggestions on improving the city. *Beijing Today* found they are all concerned about the city's environmental problems. They also all share the hope of city policies creating and ensuring a more open and transparent market.

Environment

Most companies interviewed showed concern about Beijing's environment and offered suggestions on dealing with air quality, water shortages and dust storms.

To improve the city air quality, Lai Linsheng (McDonald's) revealed a plan to get their customers involved. "We will ask our customers to donate their old newspapers from home, and we can use the money earned from selling old newspapers to buy saplings for Beijing," said Lai.

Japan Energy and Bertelsmann are both concerned with the water shortage pressure at Beijing. "The south-to-north water diversion project will help to relieve the pressure hopefully," said Kiyoshi Asano (Japan Energy).

"Little water brings about dry weather and make the city less attractive," said Ekkehard Rathgeber (Bertelsmann). He thinks an attractive living environment is the first thing to accomplish to create a prosperous Beijing. "A better environment also means more investment," he said.

Transportation

As one of the biggest cities in China with a population of 13 million, traffic congestion

in Beijing has become a major problem for its citizens.

In the interview with the Global 500 in Beijing, *Beijing Today* heard some suggestions on this issue.

According to a car manufacturer from Italy, the private car is not the solution to city traffic. On the contrary, it will worsen traffic if an ill-considered traffic management system is adopted.

"The key to the problem is management," said Franco Amadei (Fiat). "The government should intensify the diversity of transport means. The subway is one effective solution, and more public transport is the final solution."

Frederic Gossot (Air France) is looking forward to an express link (train, subway) between downtown and the airport with the possibility of check-in (passenger and luggage) from the city.

Catherine Liu (Saint-Gobain) also has suggestions for the airport. "It would be great if the taxis at the Beijing Capital Airport can be arranged like Shanghai," said Liu. "That is, to divide the taxis into two queues instead of one, according to their meters."

"The short distance in one line and the long distance in another to make both the taxi drivers and passengers happy."

Policy

As foreign companies invest in China, some interviewees appealed to the government for policies ensuring a more open market and better coordination between the government and companies.

Last year, responding to China's entry to

the World Trade Organization, Premier Zhu Rongji promised the government would constitute a law to make the market more open and transparent.

Hitachi applauded this decision, but Ma-sao Hisada (Hitachi) thought the regulations are still ambiguous. "Also the government should pay more attention to intellectual property," he said.

Lai Linsheng (McDonald's) expressed his hope to be informed of new laws and regulations sooner and faster, to help McDonald's develop plans.

"We have two suggestions," said Roger Heng (Bank of Montreal). "One, liberalize the limited convertibility of the current account, which can serve China's status after WTO access and benefit the country. Two, combine the activities of commercial banks and investment banks, to give more impetus to domestic banks."

City planning

New York Life and Standard Life, two representative offices of life insurance in Beijing, compared Beijing and Shanghai in city planning.

"The city planning of Beijing needs to be improved, compared with Shanghai," said Amy Zhu (New York Life). "The layout of Shanghai city seems to be well arranged, while Beijing turns out to be loose, lacking a particular style."

Rayne Zong (Standard Life) shared the same perspective with her counterpart on this point. "In comparison with Shanghai, Beijing's comprehensive planning is less developed.

For example, taking a taxi in Shanghai, you will find the taxi driver greets you in a standard way, with a clean car and gracious service."

"But in Beijing, both the driver and the car are less pleasant in most cases."

Miscellaneous

Dow Chemical: Chemical plants should be allowed in suburban Beijing.

Canadian Imperial Bank of Commerce: To enhance information communication, Beijing government should organize chief representatives of foreign banks in Beijing or its branches to hold some meetings for information communication.

Sun Microsystems: Chinese companies should abide by international regulations.

Fiat: Beijing should improve its service. The infrastructure of Beijing is satisfactory, but Beijingers' weak service culture is a problem.

Franco Amadei (Fiat) said, "Three years ago, I tried buying a medicine through the telephone one night in Nanjing. In half an hour, the medicine reached me."

"No delivery fee had been charged. Nanjing features many round-the-clock shops, which supply friendly service. However, I have never received such service in Beijing. Beijingers should improve service consciousness."

AMP: China needs to fund a pension system. China has a rapidly aging population. Its peak will occur somewhere around 2025 to 2050. It'll become a really big problem in 25 to 50 years. What China needs to do is to start funding a different pension system.

Chinese Green Card Hardest to Obtain in World

By Li Dan

He suggests three things. Li Dong, managing director of Mitsubishi China, a native Beijinger who now holds Japanese citizenship, tells how he sees it to *Beijing Today*.

First is to authorize international corporations to establish their own companies in Beijing and China as soon as possible.

"Take Mitsubishi for example, it has been more than 20 years since we entered the Chinese market in the late '70s. We still don't

have our own company, but a representative office or agencies instead."

Second is that the individual tax rate is too high to bear. Especially for foreign representatives living here a long time, the current tax rate approaches 40-45 percent!"

"This kind of tax policy is rather unfavorable in attracting qualified foreign personnel. Besides, there's no different treatment between foreigners who pay taxes and who just come for travel or

a short business trip and do not pay tax at all."

Third, why doesn't China issue green cards?

"The Chinese green card is probably the hardest to obtain in the world. It has taken me seven years without any result but in other countries after four or five years you get one."

"Not only this, each year we spend some three weeks to go through diverse and complicated formalities and during this time we can go nowhere! Not granting

green cards means we are always looking back over our shoulders."

Li's only wish for the future is that foreign companies in China could experience less interference and resistance from local government.

"For the 2008 Olympics, my personal opinion is that it should be conducted by individuals or companies through open bidding. The best quality will only come about through market forces. The Olympics in Los Angeles in 1984 is a successful example."



Li Dong,
managing director of Mitsubishi China
Photo by Zhuang Jian

Dentsu Worries about Changing Billboard Policies

By Xiao Rong

With 70 percent of its clients Chinese local enterprises, Dentsu China promotes localization and puts forward the following suggestions to Beijing.

"It's important for the foreign investment party to possess certain management control in a joint-venture advertising agency to give full play," said Shoichi Yamamura, corporate representative-China of Dentsu, also managing director and CEO of Dentsu China.

He said Dentsu China had to incorporate in Hong Kong due to China's current policy that foreign advertising agencies, categorized as service industry, are prohibited from operating in China on their own.

When talking about Beijing's latest regulations to dismantle outdoor billboards that harm the appearance of the city, Yamamura expressed his view as an advertising professional.

"The function of commercial advertisements should be fully con-

sidered, although it's necessary to beautify the city," he said, "Otherwise, the new stipulation may bring about unfavorable effects to Beijing's commercial environment. Consequently, Beijing cannot compete with Shanghai in the outdoor advertisement environment."

Yamamura holds the view that it's important for Beijing to present to the world an image of an open and international metropolis hosting the 2008 Olympic Games. "Beijing is not only China's political center, but also the center of

business and culture."

It is essential to maintain consistency in policy making of Beijing municipal planning and development, he suggested.

"The regulation regarding where and how to set up outdoor ads should be specifically debated and stipulated. But once it is decided and the rules are in place, alterations must be minimized."

"It will cause confusion, disturbance and distrust among foreign advertisers and investors if the regulation changes too often."



Shoichi Yamamura,
managing director and CEO of Dentsu China
Photo by Jackey

Honeywell Looks for Hungry City

By Zhang Xiaoxia

"You make money coming to Tianjin and spend money going to Beijing." That's what they told Jeff Song visiting Tianjin Technology & Economy Development Area where Honeywell has a wholly owned company.

The Honeywell (China) Investment chairman believes this simple sentence makes a simple point: Beijing needs to be more competitive.

Song suggests Beijing learn

from other cities in China on how to create a more attractive environment for investment. "Everything costs more in Beijing," he jokes.

Song regards Beijing as a different city compared to others in China. As the capital, Beijing can almost automatically attract international companies to set up their headquarters. But every other city in China is working hard to improve their business environment and to sell their city

to potential investors.

The head offices of multinational companies in Beijing have created job opportunities for business professionals and office staff. However, according to Song, Beijing needs to create a variety of job opportunities for all residents with different educational backgrounds and skill levels in order to have a vibrant economy.

Beijing now lacks competitiveness in attracting this wider

range of investment compared to other cities, even compared to its close neighbor Tianjin, he says.

China's entry to the World Trade Organization is changing society, not just industry. The role of government is changing.

"Beijing should stop overly relying on being close to the central government to attract foreign business. Beijing should develop a comprehensive strategy and execute it well in the coming year," Song says.



Jeff Song,
chairman of Honeywell (China) Investment
Photo by Chen Shuyi

To Paint Skyscape in Pretty Colors

By Sun Ming

Beijing has many tall buildings, but they look monotonous, she says.

"They will look better with a picture decorated on the surface," says Nai Fang, chief representative of Beijing office, 3M (Minnesota Mining Manufacturing) China. "3M can make Beijing more beautiful with our big outdoor posters."

Wang Wei, engineer in charge of the promotion of the posters, says the poster technology employs a sticky glassy membrane. The transparency does no harm to the lighting of the rooms in the building, and it can be removed when not needed. By sticking them on the outer wall of the tall buildings, a beautiful picture can be constructed.

"In foreign countries there are

many skyscrapers with huge posters on the outside, which are very pretty," said Wang Wei. In 2000, when Sydney was hosting the Olympics, 3M's posters were used to decorate a complex of four buildings. Every tall building had a sports poster on one of its walls.

However, 3M met difficulties promoting its product in Beijing. According to Nai, the Industry and Business Administration of

Beijing will not permit posters on the outer wall of skyscrapers.

"Now we are preparing further data and wish to persuade them," said Nai.

According to Wang Wei, there is already a skyscraper with huge posters in Shanghai, and the effect is fairly good. Chengdu is also under discussion. "If Beijing can be more open on this, she will be more like an international metropolis."



Nai Fang,
chief representative of Beijing office, 3M China
Photo by Chen Shuyi

Global Companies Show off Strengths in Beijing

The Fortune Global 500 cover a variety of business fields. Their entry into China has brought more than new products, working opportunities and fresh ideas. Here Beijing and Fortune Global 500 are both learning what business is.

Canadian Bank Seeks Niche in China Market

By Zhao Hongyi

The website of the Bank of Montreal (BMO), aside from the English and French versions, now boasts a Chinese version.

"It shows the great importance we attach to the market here," says Roger Heng, vice president and general manager of Bank of Montreal in China.

Unlike the banks combining wholesale and retailing business, BMO prefers to be a niche player focusing on business like trade financing, corporate banking and treasury business to foreign funded enterprises in China.

"In the process of increasing our business here, we pay attention to bringing and accumulating credit resources built up in our home market to China, which we believe is important in the financial industry, and gives a good example of how to build up such a credit sources system and how to use it here," says Heng.

He added, "BMO has branches in Beijing,

Roger Heng,
vice president
and general
manager of Bank
of Montreal in
China

Photo by
Zhuang Jian



3M Seeks Opportunities in Beijing Olympics

By Sun Ming

3M is following Beijing's plans for the 2008 Olympic Games with great interest. The company hopes the Olympic Games will provide a stage to showcase some of its new products to the Chinese market.

Nai Fang, chief representative of 3M Beijing says the company has already held discussions to this end with the Beijing Organization Committee of the Olympic Games and the municipal government.

Nai says she has recently received materials from the company's Sydney branch, which have given them a good understanding of the kinds of 3M products were used in the 2000 Sydney Olympics, such as sealers, solar control film, shatter-proof film, industrial tape and commercial graphic film.

Meanwhile staff at various sectors of Beijing's 3M branch are working at identifying which of the company's products are likely to be in demand in relation to construction of Olympic venues.

The company is also planning to publish a book this year that will introduce not only the company but also the application of 3M products in both past and future Olympics.

Nai added that 3M is keen to sponsor communication construction in Beijing's Olympic Stadium.

China Unicom and SK Telecom Launch International Roaming

By Jiao Pei

Chinese football fans planning to travel to Korea for the World Cup will be able to make use of CDMA mobile phone automatic international roaming for the first time.

President of the South Korea's SK Telecom's China operation, Dr. Liu Yun says, "This opening of the international roaming service and other web services are presented for the football fans coming to Korea."

The connection of the networks of the two countries was finalized at the end of March and marks the first time Chinese mobile subscribers can enjoy automatic international roaming.

China's GSM and South Korea's CDMA are two different standards, which in the past would have been incompatible for international roaming. The establishment of China Unicom CDMA web provides a reliable technological base for it.

President of China Unicom Wang Jianzhou says, "This CDMA international roaming service is automatic, and will bring a high level of convenience to China Unicom users."

Also, in order to help Chinese GSM users watching football games in Korea, China Unicom and SK Telecom have discussed opening the roaming service by changing mobile phones. This means China Unicom CDMA users can still use their sim cards in Korea with mobile phones offered by SK Telecom.



One of China's 160 million mobile phone subscribers makes a call in front of the China Unicom logo

Photo provided by photocome.com

Coca Cola Homes in on Chinese Flavor

By Yang Xiao

As the Chinese football team gears up for its World Cup debut, Coca Cola has been officially designated the Chinese national team's drink.

However Brenda Lee, director of Coca Cola's External Affairs Division stationed in Hong Kong, says the American brand is trying to broaden its image by producing drinks aimed specifically at the local market, such as the Smart series and Tian Yu Di

water.

The fact that China is the biggest tea producing and consuming country is no doubt a factor in Coke's decision to move into the tea beverages market with two new drinks: High-C and Lan Feng. Lan Feng is a honey green tea launched last year aimed at young professionals. High-C, also launched last year, is aimed at the teenage market.

China's tea beverages market is in the midst of a fierce com-

petition. Kang Shifu Tea drinks and United Tea drinks currently dominate the market, however Wahaha, the purified water producer, has also staked out a claim with its 550ml drink that retails for just one yuan.

"We are not going to fight a price war. Mostly the cheaper drinks use tea powders. Ours are real tea. We have set up a research institute in Shanghai to come up with new flavors to appeal to Chinese consumers. We see tea beverages as just

Brenda Lee,
director of
Coca Cola's
External Affairs
Division

Photo by
Chen Shuyi



one step, neither the first nor the last," says Lee.

Michael J Martens,
chairman and president of
Goodyear Dalian
Tire Company Limited

Photo by
Qu Liyan



Goodyear Values Distribution Entrepreneurs

By Su Wei

A good relationship with individual entrepreneurs is a key factor in achieving quick tire sales, according to Michael J Martens, chairman and president of Goodyear Dalian Tire Company.

Martens says sales by individual entrepreneurs account for more of Goodyear's turnover than those to state-owned enterprises.

"We provide all kinds of services and training programs, such as tire sales skills, tire maintenance knowledge, car selling skills and finance management," says Martens.

Goodyear has found that the individual entrepreneurs are more flexible in their operation and are more able and willing to adjust their strategies to meet the market and accept the new concepts. "They like challenges and are always seeking improvements," he says.

The state-owned enterprises are less flexible. However they are still important in this market and it will take time for them to adjust their policies to market conditions." According to Martens, Goodyear considers efficiency in all enterprises vital to its long-term profitability.

One of the best-performing individual distributors is Beijing Huaxing Motor and Air-conditioner Service Center, run by Ai Hongyu.

Ai was Goodyear's first distributor in China, even before the company actually invested here. He values the sales concepts and skills he has learned from Goodyear, boasting, "Even if I sold soy sauce, I would still be able to sell more than anyone else!"

Ai is proud of being first among all the Goodyear tire distributors in China. "I can sell at least 40,000 tires per month, even during the slack seasons."

Martens says Goodyear is always looking for innovative individual distributors, and they are naturally happy with those who are able to sell more tires.

Amy Zhu,
chief representative of
Beijing Representative Office,
New York Life International

Photo by
Zhuang Jian



US Insurer Confident on Covering China Market

By Zhao Pu

New York Life International, the overseas arm of the largest mutual life insurance company in the United States, is optimistic on its future performance in China after its 'honeymoon' with Chinese local non-insurance enterprise Haier Group.

With the Chinese life assurance market gradually opening to foreign companies since WTO entry last December, a string of new partnerships between China's large enterprises and overseas insurers have come under the spotlight.

Haier New York Life Insur-

ance, a 50-50 joint venture between Haier and New York Life, is expected to start operations in Shanghai by the end of this year. "We received a license from the China Insurance Regulatory Commission last December, and signed a cooperation contract with Haier two weeks later. We are acting fast," says Amy Zhu, chief representative of New York Life's Beijing office.

Both parties are among the most respected companies in their own countries, with a loyal customer base. "Our quick 'marriage' bases on mutual understanding and similar com-

mitment to customers," says Zhu.

On future performance in the Chinese life insurance market, Zhu expresses confidence about building a national insurance company with Haier. "Our entry into the Chinese market is not blind, we have sound experience in the life insurance market for Chinese in the US and other Asian countries," she says.

New York Life is the biggest life insurance seller for Chinese Americans in the US, accounting for 25% of the market's sales volume. It also has a high profile in the life insurance markets

of nine other Asian countries and regions, and most of those customers are of Chinese origin, according to Zhu. "We have a good understanding of the Chinese market, our products suit them well."

ThyssenKrupp Optimistic on Magnetic Levitation Rail Link

By Zhang Xiaoxia

Olympic Bid Committee member Wang Wei declared in Beijing's final presentation to the International Olympic Committee on July 13 last year that the city would build a magnetic levitation rail link.

Pan Li, sales and marketing manager of Transrapid International, jointly owned by Siemens and ThyssenKrupp, remembers the moment clearly. Pan, who is also assistant to the chief representative of ThyssenKrupp in China says, "Now, we are trying to win this project."

The magnetic levitation, or maglev, train will cover the 25

kilometers between Beijing International Airport and Dongzhimen subway station at speeds of up to 200 kilometers per hour. ThyssenKrupp and the Dongzhimen Airport Maglev Co., Ltd. have already begun detailed negotiations. Pan also says talks between ThyssenKrupp and the municipal government are underway.

ThyssenKrupp's optimism results from its success in winning the contract to build the world's first commercial maglev train in Shanghai. The Shanghai maglev started construction last January and is scheduled to open to public next year.



List of Fortune Global 500 in Beijing

Through countless phone calls, faxes and emails, *Beijing Today* finally confirmed that at least 241 of the Fortune Global 500 have established their presence in the capital.

On this page, we list all those 241 companies. They have either representative offices, country offices, regional offices, factories, or commercial sites, for purposes including market research, government relations, research and development, and production.

It needs to be clarified that some of the companies have disappeared, as a result of mergers, like Sakura's integration with Mitsubishi-Sumitomo Bank, and Chevron's integration with Texaco.

As for the remaining 245 Global 500 multinationals not represented in Beijing and 12 Chinese companies, they have also been our targets for investigation. You can read about them on the following page.

Rank	Company	Beijing Agency	Beijing Business Types
1	Exxon Mobil	ExxonMobil (China) Holding Co.	Investment and liaison
3	General Motors	Beijing Representative Office	Liaison and agent
4	Ford Motor	Ford Motor (China) Co. Ltd.	Auto import
5	DaimlerChrysler	Beijing Representative Office	Public relations
6	Royal Dutch/Shell Group	Shell (China) Co. Ltd.	Investment
7	British Petroleum (BP)	China Headquarters	Investment, technical support
8	General Electric	GE (China) Branch	Investment
9	Mitsubishi	Beijing Representative Office	Liaison
10	Toyota Motor	Toyota Corp. China Office	Project promotion, public relations
11	Mitsui	China Headquarters	Comprehensive
12	Citigroup	Beijing Branch	Banking services
13	Itochu	China Headquarters	Investment, management
14	Total Fina Elf	TotalFinaElf (China) Investment Co. Ltd.	Investment
15	Nippon Telegraph & Telephone	Beijing Representative Office	Government relations
17	AXA	Beijing Representative Office	Liaison in insurance
18	Sumitomo	Beijing Representative Office	Liaison, trading
19	IBM	IBM China Co. Ltd.	Investment, administration, sales
20	Marubeni	Marubeni Corp. Beijing Office	Trading
21	Volkswagen	Volkswagen (China) Investment Co.	PR, products promotion, investment
22	Hitachi	China Headquarters	Investment
23	Siemens	Siemens China Co. Ltd.	Investment, administration, sales
24	ING Group	Beijing Representative Office	Liaison
25	Allianz	Beijing Representative Office	Liaison
26	Matsushita Electric Industrial	Subsidiary	Investment, coordination
27	E.ON	Beijing Representative Office	Investment, sales
28	Nippon Life Insurance	Beijing Representative Office	Liaison
29	Deutsche Bank	Beijing Representative Office	Market research, public relations
30	Sony	Sony (China) Ltd.	Investment, administration, sales
31	AT&T	AT&T (China) Co. Ltd.	Government relations
34	Philip Morris	Investment Company	Business liaison
35	CGNU	Beijing Representative Office	Liaison
37	Carrefour	Northern China Headquarters	Retailing, liaison
38	Credit Suisse	Beijing Representative Office	Liaison, consultation
39	Nissho Iwai	Beijing Representative Office	Liaison
40	Honda Motor	Beijing Liaison Office	Liaison
41	Bank of America	Beijing Branch	Currency services to nonlocals
42	BNP Paribas	BNP Paribas China Group Management (Branch)	Currency services to nonlocals
43	Nissan Motor	Beijing Representative Office	Liaison, market research
44	Toshiba	China Headquarters	Investment
46	Assicurazioni Generali	Beijing Representative Office	Liaison
47	Fiat	Beijing Representative Office	Coordination, market research
49	SBC Communications	Beijing Representative Office	Telecommunication
50	Boeing	Regional Headquarters	Civil aviation transportation
51	Texaco	Beijing Representative Office	Coordination
52	Fujitsu	China Headquarters	Sales and production
55	NEC	China Headquarters	Investment
56	Hewlett-Packard	China Hewlett-Packard	Investment
57	HSBC Holdings	Beijing Branch, HSBC	Banking services
59	Nestlé	Greater China Headquarters	Coordination
63	UBS	Beijing Representative Office	Liaison
64	Dai-ichi Mutual Life Insurance	Beijing Representative Office	Liaison
65	American International Group	Beijing Representative Office	Liaison
67	Morgan Stanley Dean Witter	Beijing Representative Office	Liaison
69	ENI	Beijing Representative Office	Coordination
70	Merrill Lynch	Beijing Representative Office	Liaison
72	Unilever	Subsidiary	Foodstuff
74	ABN AMRO Holding	Beijing Representative Office	Liaison
76	Prudential	Beijing Representative Office	Liaison
79	Compaq Computer	Compaq China Co. Ltd.	Investment, administration, sales
84	Lucent Technologies	Lucent (China) Beijing Corp.	Telecommunication product manufacturing
86	Peugeot	Beijing Representative Office	Liaison
87	Munich Re Group	Beijing Representative Office	Liaison in re-insurance
89	Procter & Gamble	Branch Company	Technology center
92	Samsung Electronics	China Headquarters	Coordination, investment & sales
94	Deutsche Telekom	Beijing Representative Office	Liaison, coordination
95	Motorola	Motorola (China) Electronic Ltd.	Investment, administration, sales
96	Sumitomo Life Insurance	Beijing Representative Office	Liaison
98	Mitsubishi Electric	Branch	Sales
99	Renault	Beijing Representative Office	Liaison
103	Hyundai	China Headquarters	Trading
104	Thyssen Krupp	Regional Headquarters	Liaison and sales
105	Samsung	Beijing Representative Office	Coordination, investment and trading
107	Royal Philips Electronics	Branch	Sales
108	Credit Agricole	Beijing Representative Office	Liaison
110	Intel	Intel China Co. Ltd.	Investment, administration, sales
111	BASF	Beijing Representative Office	Sales
112	Goldman Sachs Group	Goldman Sachs (China) L.L.C.	Liaison
114	BMW	Beijing Representative Office	Comprehensive
118	Suez	China Headquarters	Investment, administration, sales
122	Dell Computer	Dell China Co. Ltd.	Business development
123	SK	Beijing Representative Office	Investment, consulting
124	Électricité De France	Asia Headquarters	Government relations, voice terminal products
127	France Télécom	France Telecom (China) Beijing Office	Government relations, voice terminal products
128	British Telecom	BT Beijing Representative Office	Telecommunication products
130	Nortel Networks	Nortel Network (China) Ltd.	Electronic appliances, telecommunications
133	LM Ericsson	Ericsson China Co. Ltd.	Liaison
134	Meiji Life Insurance	Beijing Representative Office	Mail, package and freight delivery
135	United Parcel Service	China Headquarters	Liaison
136	Royal Bank of Scotland	Beijing Representative Office	Investment and sales
138	Pfizer	Beijing Representative Office	Investment and sales
141	Du Pont	Branch Company	Coordination
143	Johnson & Johnson	Beijing Representative Office	Liaison
145	Robert Bosch	Beijing Representative Office	Telecommunications
146	Alcatel	Beijing Representative Office	Sales & manufacturing of pharmaceuticals
150	Bayer	Holding of Bayer (China) Ltd.	Liaison in life insurance
151	Aegon	Bayer Healthcare Co. Ltd. and Plant	Retailing
152	Ito Yokado	Ito Yokado (China) Co. Ltd.	Investment, administration, sales
154	Nokia	Nokia (China) Investment Co. Ltd.	

159	GlaxoSmithKline	GlaxoSmithKline (China) Investment Co. Ltd.	Sales and business liaison
161	Aetna	Beijing Representative Office	Liaison in life insurance
163	Saint-Gobain	Saint-Gobain Delegation China	Investment
164	United Technologies	UT Intl. Operations - China	Investment, coordination
166	Lehman Brothers Holdings	Beijing Representative Office	Liaison in securities
167	Bank of Tokyo-Mitsubishi	Branch	Currency services to nonlocals
170	BellSouth	BellSouth China Inc.	Telecommunication products
171	Canon	China Headquarters	Investment and sales
172	Royal & Sun Alliance Insurance Group	Beijing Representative Office	Liaison
174	Walt Disney	Beijing Representative Office	Business liaison
177	Bank One Corp.	Beijing Representative Office	Liaison, banking
178	Barclays	Beijing Representative Office	Market research, coordination
180	Honeywell International	Regional Headquarters	Business liaison
181	Nippon Steel	Beijing Representative Office	Liaison
182	Sumitomo Bank	Beijing Representative Office	Coordination
184	First Union Corp.	Beijing Representative Office	Liaison, banking
185	Société Générale	Beijing Representative Office	Market research, public relations
187	Dresdner Bank	Branch	Currency services to nonlocals
188	American Express	Beijing Representative Office	Liaison
189	Statoil	Beijing Representative Office	Business liaison
190	Sprint	Beijing Representative Office	Government relations, voice terminal products
191	Westdeutsche Landesbank	Beijing Representative Office	Liaison, banking
193	LG International	China Headquarters	Investment, coordination & sales
197	Alcoa	Alcoa Beijing Office	Investment
199	Dow Chemical	China Headquarters	Investment, sales, consultation and tech.transfer
200	ABB	China Headquarters	Investment
201	Microsoft	Microsoft China Co. Ltd.	Software and data services
203	Tomen	Tomen Beijing Office	Liaison, Investment
204	FleetBoston Financial	Beijing Representative Office	Liaison, banking
205	CNP Assurances	Beijing Representative Office	Investment
206	Intesa	Beijing Representative Office	Liaison in banking services
208	Alstom	China Headquarters	Investment, business development, consulting services
217	Nichimen	Nichimen Beijing Office	Liaison, investment
219	New York Life Insurance	Beijing Representative Office	Liaison
220	Bristol-Myers Squibb	Beijing Representative Office	Business liaison of pharmaceuticals
221	Phillips Petroleum	Regional Headquarters	Business liaison
224	Novartis	Novartis Overseas Investment Agent, China	Overseeing China operations
226	Commerzbank	Beijing Novartis Changpin Plant	Sales and business development
227	Crédit Lyonnais	Beijing Representative Office	Manufacturing
230	Japan Tobacco	Beijing Representative Office	Liaison
231	Aventis	Beijing Representative Office	Business liaison
232	KDDI	Representative Office, KDDI China Corporation	Market exploration
233	Coca-Cola	Coca-Cola China Co. Ltd.	Liaison, coordination
234	PepsiCo	Pepsi China	Investment, administration, beverages production
238	Sanyo Electric	Branch	Investment
240	Caterpillar	Caterpillar Corp. Beijing Office	Investment
242	Rabobank	Beijing Representative Office	Liaison
245	Viacom	Beijing Representative Office	Business liaison
246	Cigna	Beijing Representative Office	Market research, coordination
250	Toyota Tsusho	Beijing Representative Office	Comprehensive
252	UAL	Beijing Representative Office	Civil aviation transport
255	Electronic Data Systems	Branch	Market research, coordination
256	Cisco Systems	Cisco China	Investment, administration, sales
258	Swiss Reinsurance	Beijing Representative Office	Liaison
259	Xerox	China Headquarters	Production and sales
260	Bridgestone	Beijing Representative Office	Liaison
261	British American Tobacco	Beijing Representative Office	Business liaison
264	Standard Life Assurance	Beijing Representative Office	Liaison
266	Raytheon	Beijing Representative Office	Business liaison
268	FedEx	Headquarter of FedEx Express-DTW Co. Ltd.	Mail, package & freight delivery
272	Sharp	Beijing Representative Office	Coordination
274	AstraZeneca	Beijing Representative Office	Business liaison
275	Japan Energy	Beijing Representative Office	Coordination
279	Tokio Marine & Fire Insurance	Beijing Representative Office	Liaison
281	Bouygues	Beijing Representative Office	Liaison, construction industry
284	Kajima	Beijing Representative Office	Liaison, construction industry
286	Sanwa Bank/UFB Bank	Branch	Currency services to nonlocals
287	Johnson Controls	Branch	Sales and services
289	Roche Group	Beijing Representative Office	Business liaison of pharmaceuticals & health care
294	Minnesota Mining & Mfg.	Beijing Representative Office	Liaison of diversified products
296	Mitsui Mutual Life Insurance	Beijing Representative Office	Liaison
298	Landesbank Baden-Württemberg	Beijing Representative Office	Liaison
299	Bertelsmann	Beijing Representative Office	Liaison
300	Korea Electric Power	Beijing Representative Office	Business of commercial ads
303	Dentsu	Beijing Office, Dentsu China Ltd.	Liaison in metal products
305	NKK	Beijing Representative Office	Liaison in insurance
307	AMP	Beijing Representative Office	Liaison
310	Nippon Express	Beijing Representative Office	Liaison, construction
313	Taisei	Beijing Representative Office	Coordination
314	Mitsubishi Chemical	Beijing Representative Office	Liaison
318	Bayerische Landesbank	Be	

To provide a complete inventory of the Fortune Global 500 companies, we list here those companies that are not currently represented in Beijing.

We first introduce Wal-Mart, the world's largest retailer. Then we look for traces of Enron in China. Some other companies have developed successfully in other parts of China, and are intending to enter the Beijing market, such as Tesco, the biggest retailer in Great Britain. Others believe Beijing is not the ideal place for them to develop, and have turned to alternative locations like Shanghai.

Our e-mail interviews reveal many international businesses are planning to, or have set up, regional headquarters in Shanghai, an indication that city is Beijing's main competitor in this regard.

Enron Remains Elusive

By Zhao Hongyi

A message on Enron's website reads: Enron is in the midst of restructuring its business with the hope of emerging from bankruptcy as a strong and viable, albeit smaller, company.

Beijing Today has searched for traces of Enron's presence in China for the past six months, to no avail. The website also refers to Enron's "Chengdu Cogen" Project - a cooperative joint venture with Sichuan Electric Power Company in Chengdu, Sichuan Province. The project is a 284-megawatt coal-fired cogeneration plant that is supposed to produce natural gas from coal within three years of its beginning operation.

Beijing Today contacted Enron's public relations department and received a reply from Ms. Karen Denne, vice president of the public relations department. The message reads:

Enron filed for bankruptcy Dec. 2. Unfortunately, we are unable to participate in your survey. Best of luck with your article. Regards,

Karen Denne

Vice President

Enron Public Relations

Disappointingly, the message mentioned nothing about the company's presence in China.

Wal-Mart Quietly Captures Big Slice of Chinese Market

By Shan Jinliang

With a good chance of topping this year's Fortune's Global 500 list, chain-store giant Wal-Mart is busy building its oriental empire, with 19 stores so far opened in China.

The number of stores opened in 2001 alone is almost equal to the total number opened in the six years since the retailer first stepped into Shenzhen in 1996, becoming the first overseas retailer permitted to establish joint ventures in China.

Wal-Mart is making Shenzhen its Southeast Center, Kunming its Southwest Center, Beijing its North China Center and Dalian its Northeast Center.

With its China headquarters in Shenzhen, the retailer has chosen a different way to expand in China. Insiders say the retailer's strategy is to avoid all-out war with its competitors.

In the process of China's WTO accession last November, some of Wal-Mart's senior executives went to Tianjin and Harbin to meet provincial officials. Their mission proved fruitful, with construction starting on the first of two stores in Tianjin not

long after.

Just days before China's WTO entry, Wal-Mart announced it would open five stores in Beijing. Construction of the first store, in Shijingshan District in Beijing's west, started in March, and is due to be finished by the end of the year. Also in March, Wal-Mart started building its first store in Nanjing.

Wal-Mart has purchased 95% of its products in the Chinese mainland since it has moved its global procurement headquarters to Shenzhen this February.

Xu Jun, senior public relations manager of Wal-Mart China, said his company planned to set up more purchasing branches in a number of key Chinese cities. The total value of the products purchased by Wal-Mart in 2001 in China was US\$10.3 billion, with 80% coming from Guangdong Province. The Shenzhen global procurement headquarters will be in charge of procurement for the company, with a budget of 190 billion dollars.

"In our investment plan, Wal-Mart will increase its annual purchase from China by 25 percent or more," said Li Chengjie, vice-president of Wal-Mart Asia.

As reported by Japan's Nikkei Net

Tesco Stepping into China

By Shan Jinliang

Tesco has taken China as one of its major purchasing sites in Asia. The overall value of products purchased on the Chinese mainland rises by 20-50% annually, reaching 1.2 billion dollars last year.

The *Finance Weekly* reports Tesco will establish its representative office and its global purchasing center in China. The store in Shenzhen will be Tesco's largest in the Chinese mainland.

As reported by Japan's Nikkei Net

last month, Britain's largest supermarket group has decided to set up stores in Beijing and two other cities in China. The company is currently negotiating with local partners. Tesco expects its first store in Guangdong Province to open this year.

Terry Leahy, Chief Executive of Tesco said in a press release on April 10, "in Taiwan we have three stores open and are incurring start-up losses. Our latest store is trading successfully in Taoyuan."

Department Store Chain Heads South

By Zhu Lin

Takashimaya, the Japanese department store chain at No 479 of the Fortune Global 500, is in the process of closing down its representative office in Beijing. The office is located in Changfugong Office Building in Jiangguomenwai.

"There have been no staff at our Beijing Representative Office since April," says Chi Min, of the clothing and accessories department of Takashimaya's Shanghai office. "Now we are going through the cancellation procedure before closing the office."

The Japanese based company established the Beijing representative office in

1988, and the Shanghai office 1995. However the company has since found the market for retail department stores in Shanghai is bigger than Beijing. "Now our focus is in the coastal areas in Jiangsu and Zhejiang provinces. Comparatively speaking, the price of goods is generally higher than in the north of China, but the quality is better," said Chi. "The new technology and information spreads faster in Shanghai than in Beijing, and there is more contact with the international business in Shanghai."

Takashimaya currently has no department stores in China.

Chinese Companies in Fortune's Global 500

There are 11 Chinese mainland companies in the Fortune Global 500, 10 of them state-owned:

- No 68: Sinopet (Oil refining)
- No 77: State Power Corporation (Gas and Electricity)
- No 83: China Petroleum (Oil refining)
- No 213: Industrial & Commercial Bank of China (Banking)
- No 228: China Telecommunications (Telecom)
- No 251: Bank of China (Banking)
- No 276: SinoChem (Trading)
- No 336: China Mobil (Telecom)
- No 411: China Construction Bank (Banking)
- No 414: COFCO (Trading)
- No 448: Agricultural Bank of China (Banking)

'We Favor Shanghai'

By Shan Jinliang

Shanghai, as China's largest commercial city, has a more competitive edge than Beijing and Guangzhou. Our Fortune Global 500 survey reveals that many of those listed companies have set up their representative offices in Shanghai, such as Skandia, Textron and Asahi Glass. Some are moving their current Beijing representative offices to Shanghai, such as Takashimaya.

United Healthcare, of the US, e-mailed *Beijing Today* in response to our query, stating, "We are located in Hong Kong, which was chosen as part of a joint venture with AIA. While that joint venture has been dissolved, we remain in Hong Kong as United Healthcare Asia. We are very interested in Beijing and China's mainland, but we are in the health service administration business—providing health care services to health insurers and providers."

Textron, a US based company told *Beijing Today*, "Textron has established a representative office in Shanghai that represents Textron Corporate, Greenlee Textron, Textron Fastening Systems, and Kautex Textron. Currently Kautex Textron has a full manufacturing plant located in Changchun (Liaoning Province) and is establishing its second plant in Shanghai. Other Textron divisions are progressing rapidly towards making serious invest-

ments in China. (These plans have not been released to the public yet). Textron has a very serious commitment to China and plans to significantly expand its investments in production and sourcing in the near future."

However Beijing remains an attractive option for these companies. Skandia Group says its next major investment in China will be in Beijing.

McKesson, a Swedish company, has opened its representative office in Shanghai. "We chose Shanghai because of the large number of financial institutions there," a spokesperson for the company said in an e-mail to *Beijing Today*.

As the infrastructure in Beijing and elsewhere grows, so will our opportunities and the likelihood of investment in Beijing and elsewhere. In the meantime, we continue to have discussions with some insurers there."

Fortune Global 500 Companies not represented in Beijing

Company	Rank	Country	Company	Rank	Country
Aerospace and Defense			Samsung Life Insurance	222	South Korea
Lockheed Martin	176	US	Skandia Group	312	Sweden
AMR	239	US	Old Mutual	458	South Africa
EADS	277	Netherlands	Power Corp. of Canada	466	Canada
Delta Air Lines	311	US	Sun Life	474	Canada
BAE Systems	351	Great Britain	American General	475	US
Textron	396	US	Insurance: P & C (mutual)		
General Dynamics	495	US	State Farm Insurance	61	US
Airlines			Liberty Mutual Group	302	US
Banks: Commercial and Savings			Groupama-Gan	340	France
J.P. Morgan Chase	36	US	Insurance: P & C (stock)		
Mizuho Holdings	48	Great Britain	Zurich Financial Services	97	Switzerland
Fortis	73	Belgium/Netherlands	Berkshire Hathaway	109	US
HypoVereinsbank	117	Germany	Allstate	144	US
Santander Central Hispano Group	121	Spain	Prudential Ins. Co. of America	165	US
Wells Fargo	157	US	Loews	229	US
Lloyds TSB Group	192	Great Britain	Legal & General	288	Great Britain
Banco Bilbao Vizcaya Argentaria	214	Spain	Nationwide	346	US
Abobe National	247	Great Britain	Hartford Fin. Services	348	US
Almanji	283	Belgium	Mail, Package, Freight Delivery		
Washington Mutual	316	US	US Postal Service	33	US
Dexia Group	320	Belgium	Deutsche Post	125	Germany
Halifax	330	Great Britain	Japan Postal Service	241	Japan
DG Bank Group	342	Germany	La Poste	343	France
National Australia Bank	350	Austria	Consignia	430	Great Britain
Banco Bradesco	370	Brazil	Motor Vehicles & Parts		
Toronto-Dominion Bank	387	Canada	Mitsubishi Motors	137	Japan
Banco Do Brasil	406	Brazil	Delphi	142	US
Bank of Scotland	485	Great Britain	Hyundai Motor	149	South Korea
Nordeutsche Landesb.	493	Germany	Mazda Motor	270	Japan
Beverages			Denso	271	Japan
Diageo	306	Great Britain	TRW	285	US
Coca-Cola Enterprises	347	US	Lear	373	US
Anheuser-Busch	419	US	Dana	407	US
Suntory	465	Japan	Magna International	491	Canada
Building Materials, Glass			Petroleum Refining		
Asahi Glass	439	Japan	PDVSA	45	Venezuela
Chemicals			Pepsi YPF	80	Spain
Norsk Hydro	278	Norway	USX	106	US
Imperial Chemical Industries	444	Great Britain	Conoco	115	US
Asahi Kasei	459	Japan	Nippon Mitsubishi	155	Japan
Computer Software Computer Sciences Diversified Financials			Petrobras	160	Brazil
Fannie Mae	71	US	Tosco	183	US
Freddie Mac	131	US	Indian Oil	209	India
Household International	432	US	Petronas	254	Malaysia
Computer Sciences	489	US	Idemitsu Kosan	267	Japan
Diversified Outsourcing Services			Valero Energy	349	Japan
Adecco	315	Sweden	ULT. Diamond Shamrock	363	US
Faros	321	France	Sunoco	408	US
Electronics, Electrical Equipment			Amerada Hess	418	US
Tyco International	148	US	Showa Shell Sekiyu	467	Japan
Onex	301	Canada	Cepsa	472	Spain
Kyocera	451	Japan	Pharmaceuticals		
Energy			Merck	88	US
Enron	16	US	Pharmacia	273	US
Suke Energy	53	US	Wyeth	378	US
Rwe Group	78	Germany	Publishing, Printing		
Dynegy	139	US	Dai Nippon Printing	424	Japan
Reliant Energy	140	US	Lagardere Groupe	433	France
Aquila	147	US	Railroads		
El Paso Corp.	216	US	East Japan Railway	198	Japan
Gazprom	280	Russia	SNCF	265	France
TransCanada Pipelines	304	Canada	Deutsche Bahn	364	Germany
Williams	460	US	Central Japan Railway	427	Japan
Canadian Pacific	482	Canada	Union Pacific	437	US
Engineering, Construction			West Japan Railway	483	Japan
Vivendi Universal	91	France	Kinki Nippon Railway	492	Japan
Vinci	386	France	Solelectron	369	US
Sekisui House	413	Japan	Specialty retailers		
Skanska	442	Sweden	Home Depot	66	US
Entertainment			Costco Wholesale	116	US
Seagram	344	Canada	AutoNation	207	US
Food & Drug Stores			Lowe's	257	US
Kroger	54	US	Kingfisher	269	Great Britain
Koninklijke Ahold	58	Netherlands	Best Buy	329	US
Metro	75	Germany	Otto Versand	383</	

Xian to Tourists: Sorry about the Beating

By Xiao Rong

Xian Tourism Authority has paid 10,000 yuan compensation to four elderly Sichuan tourists who were beaten and injured by its staff members on a visit on May 2.

Tourists from a Sichuan tour party had quarreled with local tourism staff at the North Gate Administration Office where officials refused to allow them to rest under the Ancient Rampart of Xian.

During the dispute, a gang of "warriors" in ancient costumes suddenly appeared and began hitting the tourists with their weapons. They continued for 20 minutes, leaving Deng Weili, 57, with concussion and 12 others injured.

Further compensation for Deng Weili will be decided after he leaves hospital. Some younger tourists who were also injured said they didn't seek compensation.

On the same day as the attack, leaders of the local tourism bureau, the Cultural Relic Park, and police made a joint investigation and visited the injured tourists.

Li Xuemei, deputy mayor of Xian, apologized to the injured on behalf of the municipal government and party committee the next day and promised to deal with the case before the Sichuan tour party left Xian.

Zhao Shengwei, the main suspect, is now under detention, while the rest of the "warriors" have all been dismissed. Li Jie, former director of the North Gate Administration Office, has been suspended from his duties.

"It's our fault that such a bad event happened in Xian. Tourists are all our honored guests," said Li Xuemei at a municipal meeting targeted at enhancing the service of the whole city on May 6.

"As a famous historical city and also the key base of the West Development Plan, Xian should try to fulfill its goal of being 'China's best tourism city,'" said Chen Baogen, vice mayor of Xian.

Shaanxi provincial leaders also attached great importance to the case, demanding the capital city improve the quality of its tourism service and other service industries.

An overall rectification will soon be carried out in the whole service industry of the city to create an excellent environment for tourism and public security.



Peacemaker Deng Weili tried to break up the fight. He is still in Xian Central Hospital today



One of the tourist party filmed the whole incident



Deputy Mayor Li Xuemei's apology was the first of its kind in Xian

Photo provided by Huashang Newspaper



The Dalian public security team that first located the crash site continues their fruitless search for survivors

Almost No Chance of Finding Survivors

Up till now, not one survivor has been found.

By yesterday, 66 bodies had been retrieved from Dalian Bay, Liaoning where a China Northern Airlines plane carrying 103 passengers and nine crew crashed on Tuesday night.

The pilot had reported a fire in the cabin to ground control shortly before the MD-82 plunged into the sea. More than 60 rescue vessels were involved in the search.

Three passengers came from Japan, with individuals also from South Korea, India, Singapore, France and Hong Kong.

The People's Insurance Company of China has already paid \$2 million in compensation to China Northern Airlines.



The tail of China Northern Airlines Flight 6136 is salvaged from the sea on Wednesday

Xinhua Photos

Sohu 0, Sina 1

CFA scores own goal with World Cup websites

By Shan Jinliang

For a man who has made millions, he has been sporting a spectacular frown around town these days.

After announcing losses of \$2.2 million in the first quarter of 2002, Sohu CEO Charles Zhang did not once crack a smile. Later, he found reason to grimace some more.

The next week, Zhang announced his once-mighty portal had lost out on hosting the official 2002 Korea-Japan World Cup China soccer team website to his number one rival, Sina. Sina said it was preparing to sue the China Football Association (CFA) for breach of contract, having signed a deal to host the team's progress only a few weeks earlier.

Media and market wisdom has it that only one Internet portal can survive in China's developing cyberworld. In bagging the biggest spectator sports event in the world, Sina achieved a mighty coup over its two rivals, Sohu and Netease.

Two weddings & funeral

The CFA had been seeking a website sponsor for the Chinese men's team since they qualified for the World Cup on October 7.

The official China FA soccer newspaper announced a plan dubbed "two women marrying two men," suggesting two official websites. The article suggested the interested parties contact CFA's authorized agents.

The first site, "Team China," was a four-year commitment to the national side. The other was the official China website of the FIFA World Cup 2002.

Sohu on January 17 signed a contract with Sports 01 Corp

as co-sponsor of the FIFA website. The agreement entitled the website to use the affiliation of "CFA Partner" and employ the CFA emblem.

Sina's smooth move

But then on February 5, Sina dropped the bomb. The popular portal had snapped up a 20-million-yuan deal with the CFA sports company China Football Industrial Development for the four-year website.

CFA vice-chairman Zhang Jilong attended two press conferences, opening two websites on March 12 and 18. Media reports of the events suggested the two deals in fact more amounted to "one woman marrying two men".

"They [reports] are not accurate as the two resources are greatly different although they both belong under the same CFA umbrella," said Zhang in an interview with *Beijing Youth Daily* on March 19.

"The website established by Sohu.com is just for the Chinese Men's Team 2002 Football March and it is going to be run during the 2002 World Cup period," said Sports 01 Corp chairman Zhong Suduo. "The designated website for 'Team China' is the one serving all national teams and it is going to be long term."

So that's all right, then. Until April 28, when the CFA in its official website (www.faf.gov.cn) withdrew the rights of Sohu.com to use the title "CFA-appointed official website for Chinese Men's Team 2002 Football March" and banned "all relevant rights".

The CFA move came in response to a Sina request that the CFA abolish its rival's official title in line with interna-

tional practice and FIFA's battle with illegal "2002 World Cup" trademarks. Sina had cornered the CFA and forced it to admit being "rough" in authorizing Sohu.com.

FIFA fine print

Two facts emerged. First, the Sina agreement contained one critical clause - Sina was the "sole longstanding partner" of the China men's national football team.

Second, a *Sports Weekly* article reported the Sohu agreement was allegedly conducted through a special relationship by officials without informing CFA superiors or relevant departments.

Sohu's partner in the deal, Sports 01 Corp, has vowed to fight back. Chairman Zhong said he would not accept the CFA's decision, and the World Cup website would continue according to schedule. A CFA spokesman declined to comment to *Beijing Today*.

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Foot-and-Mouth Fear Prompts Import Ban

China has banned the import of cloven-hoofed animals and their related products from South Korea where foot-and-mouth disease has broken out among pigs.

All direct or indirect imports of such animals or products are banned, according to a statement issued by the Chinese Ministry of Agriculture and the General Administration of Quality Supervision, Inspection and Quarantine.

Any such animals or products sent to China must either be returned to South Korea or destroyed. Travelers are not allowed to enter China with the banned items, the statement says.

International flights, vessels and vehicles stopping in China are not allowed to dispose of plant or animal waste without the supervision of the ministry, it says.

The ban requires local quality supervision, inspection and quarantine offices to keep a close watch on the banned animals and products to protect China's farming industry.

(Xinhua)

Yunnan County Now Official 'Shangri-La'

Zhongdian County in Southwest China's Yunnan Province officially changed its name to Shangri-La County Sunday.

The county, situated in Deqen Tibetan Autonomous Prefecture, was authorized by the State Council to change its name in December 2001.

"Shangri-La" comes from the novel "Lost Horizon" written by British writer James Hilton in 1933 in which "Shangri-La" is a mystical and harmonious place.

Many people of different countries who read the novel went in search of "Shangri-La", said to be a Tibetan word for paradise, or a perfect place.

In the 1990s, most of the "Lost Horizon" fans and researchers turned their eyes to Deqen where almost everything the author described in his novel could be found.

As depicted in the novel, the former Zhongdian County has snow topped mountains, plateau meadows, traditional folk arts and a variety of religions and people from different ethnic groups living together in harmony and peace.

(Xinhua)

Drug Patents under Hammer

By Xiao Rong

A group of new pharmaceutical projects worth 137 million yuan will go to auction at the upcoming Beijing International Sci-Tech Industries Expo.

Of the 18 new projects chosen from more than 400, half are traditional Chinese medicine projects with their own intellectual property rights.

The auction of achievements in the pharmaceutical field is a regular feature of the Beijing Sci-Tech Expo, held this year May 23-28. The auction prices of pharmaceutical projects this year range between 900,000 yuan and 29 million yuan.



Sohu CEO Charles Zhang and Sports 01 Corp chairman Zhong Suduo are still not smiling.

AUTO INDUSTRY

Hyundai a Possible Savior for Beijing Auto Industry?

By Jiang Zhong

Negotiations are still going on between Beijing Auto Industry Holding Company and Hyundai Motors, despite an agreement being signed at the end of April to establish a car manufacturing joint venture.

Construction of the plant will finish by the end of this year and test production will start from that time.

"It is the last and the only chance for the Beijing auto industry," says Jia Xinguang, senior researcher at the China Auto Industry Consulting Company. "The situation is very complicated in Beijing. Cars, not jeeps, should have been produced at Chrysler's Beijing factory if the government had adopted a more rational management and made a more serious consideration before 1984."

"This is also a crucial decision for Hyundai's operations in China, Hyundai gave up in the competition with Honda for the Guangzhou project five years ago. Ever since then, Hyundai's presence in China has failed to improve.

It produced a mini bus for Wan

Tong Company, Hubei Province, and also invested in Jiangsu, producing Kia Pride. For the cooperation with Beijing, it has said goodbye to both businesses."

"I have visited the auto exhibition that has just concluded in Nanjing," says Jia. "I found that many unknown domestic workshops introduced cars assembled with parts imported directly from overseas. This is an unhealthy and dangerous phenomenon, which will destroy the Chinese auto industry."

"This is one of the factors that can influence the newborn Hyundai-Beijing joint venture negatively. The second factor is that the Hyundai brand cannot gain so much confidence from the Chinese customers as the world famous brands like Volkswagen and Honda," he continued. "Volkswagen has never had problems selling its products here."

The situation must be different for Hyundai. When the new cars roll out of the line, who will buy them? The workshop-assembled cars, the imported cars and the products of al-



"...the last and only chance for the Beijing auto industry," the new joint venture is expected to produce 200,000 cars, 200,000 engines and 100,000 transmissions in 2005. Sonata and Elantra will be the flagship products

Photo by Xinhua

ready existing joint ventures will all challenge the new joint ventures' innovation capability, and the two parties' patience as well."

Jia continues, "Cutting down the number of employees, selling off bad assets and developing new technologies are the means for modern enterprises to extricate themselves from a difficult position. Hyundai can help

its Beijing partner in the last point, and the Beijing party must find solutions to the other two itself. The situation is that the Beijing side has refused to cut employees and sell off bad assets, which will compromise the results of cooperation. It is the Beijing Auto Industry Holding Company, not Hyundai, that can save the Beijing auto industry."

INFORMATION TECHNOLOGY

Share Price Jump Raises Spirits at NetEase

By Shan Jinliang

Staff at NetEase received a congratulatory letter from acting CEO Ted Sun recently, declaring, "Our share price increased 16.67% to US\$1.05 per ADS on the Nasdaq last night (April 26)."

It was good, and unexpected, news for the Chinese-language portal, in the wake of the release of both its first-quarter 2002 and full-year 2001 earnings, a lawsuit brought by shareholders over accounting irregularities and the departures of several top executives. Some analysts commented that NetEase had finally shaken off the troubles that have plagued it since being listed on the Nasdaq in 1999.

Sun attributed the surge in the share price to the company's updated 2001 annual and first quarter financial report, published on April 19 and April 23 respectively. "The improving transparency of our financial reports have a direct link to the price jump," he told *Beijing Today*, "and the first quarter of 2002 has narrowed our loss gap." Sun also stated in his letter that the jump indicates "the market is recognizing the hard work and effort which everyone has put into the company."

The 2001 earnings result saw a 53% fall compared with 2000, a result the company attributed to the weakening advertising market, while income on e-commerce and other services contributed greatly to the overall income.

Although figures for the first quarter of 2002 signal a significant improvement over the same period last year, many analysts still doubt the company's ability to outperform its two powerful competitors, Sohu.com and Sina.com. IT writer Hu Yanping went as far as claiming NetEase no longer qualifies as one of the three top portals in China's IT industry. Until the apparent turn-



Ted Sun
NetEase acting CEO
Photo by Chen Shuyi

around, rumors abounded that Sina.com would merge with or buy NetEase. Some commentators even listed details of when top executives of the two sides had met to discuss such a merger, and even how they would handle the ensuing staff cuts.

The latest bright news sits uneasily with some still unresolved internal problems and outside competition pressure. Holding 58.5% of the company's shares, company founder Ding Lei has been described as the biggest obstacle to NetEase's success. Ding is considered responsible for a number of blunders in the past two years, including bad investment moves in 2000, the forging of financial accounts in 2001 and the Nasdaq's de-listing of NetEase earlier this year due to the delay in the release of its revised 2001 financial report. Insiders believe Ding's continuing dominance of the company's shares will have a negative impact on the company.

Meanwhile some NetEase staff complain the company's sales force are incapable of increasing advertising and non-advertising revenue. Regarding such discontent, Sun commented "we do not have as many problems as the media make out, and our poor performance is just history."

NetEase has vowed to become the largest local online entertainment provider, although this seems to be a formidable challenge, as there is fierce competition in this niche market. "We are consulting with online game providers from Taiwan Province, Japan and South Korea, and we really hope to grow it profit source."

"We target to become profitable as soon as possible," Sun told *Beijing Today*, "and we do have a timetable for that." However he declined to make the timetable public.

Beijing Telecom to Change Name

By Yang Xiao

Beijing Telecom, a former subsidiary of China Telecom confirmed Tuesday it would change its name when it is officially taken over by the newly established China Netcom later this month.

Rong Yan, a Beijing Telecom PR executive said, "We will follow our new parent to give the public a brand new image. The official English name is still under consideration." Although some analysts predict the brand change will result in a significant intangible loss for Beijing Telecom, the company is to change the Chinese name from Beijing Dianxin (Telecom) to Beijing Tongxun (Communications).

Last year the Ministry of Information Industry ordered the state owned China Telecom to split into two companies. One of these, retaining the name China Telecom, will own all southern telecom branches, the other, named China Netcom, is to merge with Jitong Telecom and own all the northern telecom branches. While the new China Telecom has established a new local branch under the name Beijing Telecom, the original Beijing Telecom has to change its name.

JAFCO Puts \$10m into 3721.com

By Yang Xiao

Chinese Keyword services pioneer and market leader 3721.com announced the acquisition of JAFCO's second-stage venture capital investment of about \$10 million recently.

The Internet real name standard is considered a profitable area in the world of the Internet, and 3721 has endeavored to be the standard since its inception in 1998. Chinese Keywords service reach over 95% of China's Internet users through various service distribution channels that count 22 million queries per day. Over 250,000 enterprises have registered Chinese keywords as 3721's customers, largely because 3721 is one of China's rare profitable Internet companies.

Michael Chow, JAFCO assistant vice president told media that JAFCO has never failed in VC investment in Asia. "JAFCO chose 3721 as its first step in the development of the Chinese mainland, not only because of 3721's profit making ability, but also because it has become an admissible standard," he said

The investor JAFCO Ventures is a leading global venture capital firm that has been ranked in the Top Ten Listings of such publications as Forbes and Red Herring for 1999 and 2000. It has over \$3 billion under management.

JAFCO plans to invest 100 million in the Chinese IT field in the future.

Founder Sci-Tech Holds Expo

By Yang Xiao

China's second largest PC maker Founder Sci-Tech (FST) held an exhibition at the Beijing Exhibition Hall from April 24 to 26. Officials from Peking University and various government departments attended the opening ceremony.

FST is a subsidiary of the Peking University owned Founder Group, which had a sales income of over 11.6 billion yuan last year. FST is the group's most successful subsidiary and was listed on the Shanghai Stock Exchange in 1998. FST has 2.39 billion yuan in total assets and 1,500 employees. Its business includes manufacture of PCs, servers, notebooks, printers and other digital consumer products and providing e-solutions.

FST is among the ten best selling PC brands in the Asia-Pacific and the second best selling PC brand in Chinese mainland last year with 3 million units production capability.

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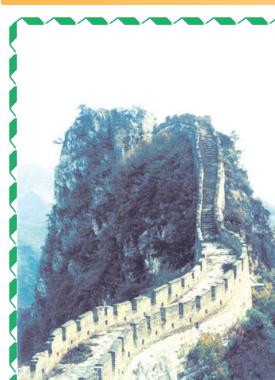
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Prisoners Peruse Shopping Shelves in Capital Pokey

By Sun Ming

The 110-square-meter Tiankelong Supermarket at first sight looks just like any other supermarket. But look closer and there are no cigarettes, alcohol or glassware to be found here.

Thirty-five inmates went shopping with their relatives at the supermarket in Qianjin Prison on April 30. It's the first supermarket in a prison in North China, according to the Beijing Prisons Bureau.

"Before, if we wanted to buy daily necessities, we had to register a month ahead of time and all the goods were bought by police outside," a prisoner called Wang told a *Beijing Daily* reporter who visited the supermarket that day.

"Now we can select all kinds of commodities in the supermarket by ourselves. I like the open shelf where I enjoy freedom of selection."

The 35 prisoners spent more than 5,000 yuan in the supermarket that first day, according to *Beijing Daily*.

"The supermarket has 440 commodities, mostly food and daily necessities," said Lü Guoxing, director of

Qinghe branch of Beijing Prisons Bureau, which manages the prison.

Lü said the prices in the supermarket are the same as those in other branches of Tiankelong Supermarket.

The cashier is a policeman at the prison and the six vendors are all prisoners.

"They are the prisoners on good behavior," said Lü.

Prison warden Li Zhengxian said prisoners can go shopping once a month. They go shopping with special cards, not cash. Prisoners' relatives fund the cards. "And some are a bonus they obtain for good behavior," said Li.

Zhao Tie, a prisoner for 12 years, bought a bottle of shampoo, a package of tea and 12 bags of instant noodles. "I didn't expect to lead the same life as people on the outside," said Zhao, who has never been to a supermarket before. There were no supermarkets in town where he lived more than a decade ago.

Similar supermarkets first appeared in the prisons in Shenzhen, according to Beijing Prisons Bureau.



A weird publicity move by Xi Zhong Xi restaurant
Photo by Liu Zhijian

Devils on the Doorstep

By Sun Ming

Six imperial Japanese soldiers march along the East Third Ring Road on May 6.

A photographer from *Beijing Star Daily* snapped the six invaders (鬼子) near the Lufthansa Shopping Center apparently promoting the new restaurant Xi Zhong Xi.

When the picture appeared the next day, it's not hard to guess the reaction.

"The restaurant's action has hurt our national feelings," fumed a bank clerk Xu Wen via a hotline. "We'll never go to the restaurant even if they have delicious food."

Xu said he didn't understand the motive of the restaurant.

"Is there something wrong with its managers?"

Manager Mr. Li, who declined to give his full name, said there was a perfectly reasonable explanation when *Beijing Star Daily* reporters and Beijing Industry & Commerce Bureau staff came to the restaurant near Yansha Qiao (junction) two days later.

"The Japanese soldiers are characters from the model revolutionary operas," he said. "All of our waiters and waitresses wear the same clothes as the figures in the model operas."

The model operas (yang ban xi 样板戏) refers to the eight Peking operas permitted for performance during the Cultural Revolution.

"I wanted older customers to enjoy memories of old times here," said Li. The restaurant was scheduled to open on May 8.

When accused of staging a poor taste publicity stunt, Li explained the six waiters were merely returning from a training center.

"Why do you always ask us about this thing?" Li told *Beijing Star Daily*. "Didn't you notice the little white flags inserted in their pockets? The white flag means surrender! We want to promote our national culture."

But Li was left speechless when Beijing Industry & Commerce Bureau staff asked him to produce a business license. The bureau shut down the restaurant as it hadn't a license.



Adil Hoxur

Xinhua Photo

Uygur Acrobat Breaks World Record

By Sun Ming

He traveled about 200 kilometers altogether, about the same distance as Beijing to Tianjin. He averaged about five hours a day on the tightrope, with nine hours, seven minutes his longest spell.

At 11 am on May 7, Adil Hoxur, a tightrope walker from Xinjiang, set a new Guinness World Record of living on an overhead wire cable without a safety harness above Jinhai Lake in Pinggu District in the city.

Hoxur, "Prince of High-wire Walking", lived on a steel wire for 110 hours over 22 days from April 16 to May 7. The remaining 418 hours were spent either sleeping or relaxing in a small hut constructed at the end of the cable. However, ac-

cording to Hoxur's agent Alim Halidin, Hoxur is going to prolong his stay until tomorrow — even though he has broken the record of 63 hours during 21 days set by Canadian-American Jay Cochran.

"I'm not surprised by his idea. If he didn't like breaking records and challenging himself, he would not be Adil Hoxur," Halidin told *Beijing Today*.

In the last 22 days, Hoxur made 240 round trips on the 420-meter-long wire cable.

According to Halidin, Hoxur will attempt to set another Guinness World Record walking a 400-meter-high tightrope between two watchtowers of Badaling Great Wall in May next year. The distance is 2,800 meters.

Tea Sales Bring Music to Ears of Schoolchildren

By Su Wei

Three children and their teacher from a remote Hubei primary school came to Beijing to successfully sell tea to pay for their schooling.

Chen Huizhi, 12, Cheng Long, 13, and Yang Xiaojuan 11, from Dishui Village, Nanhe Town, Gucheng County of Hubei Province were still excited at the quick sales within four days at a spring book fair in the Ditan Temple during May break.

"About 30 percent of the profit is put back into tea production and the rest is allotted to certain students in severe poverty," said Fan.

Zhang said every student pays around 300 yuan tuition a year.

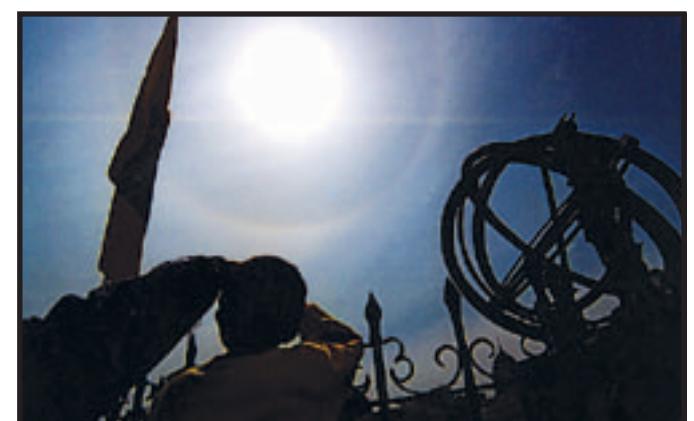
"The nearly 30,000 yuan will cover the tuition and incidental fees for a total of 57 students this year and next year."

Chen seemed happiest about the purchase of a standard size football.

"The football in our school is too small," he later told *Beijing Today*. "We got two footballs, two basketballs and one volleyball during the sale at the book fair," he said. "But teacher Zhang said we need to give some to other schools."

Yang told *Beijing Today* they had also obtained a three-string qin, an electric piano, an accordion, a harmonica and a lute.

"We sing songs at the beginning of almost every class. But we have never had any instruments before."



Good Day, Sunshine

By Li Qinghao

With yellow, blue and purple blending together, a halo circled the sun at 11:30 am on Monday.

"It is named a solar halo," said Gong Xuezhong, a researcher at Beijing professional meteorological observatory. "And it is not common in Beijing. Its appearance usually means the probability of precipitation will be higher."

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NEW CHINA PORCELAIN WARES FIND GROWING MARKET



Porcelain brush holder, circa 1966-76. Sold for 5,720 yuan

By Miao Yajie

The value of an antique lies mainly in its age, the older, the better. For Chinese porcelain, pieces from the five imperial kilns of the Song Dynasty are keenly sought after for their rarity, yet objects from Emperor Qianlong (1736-1795) of the Qing Dynasty's reign, dating back a mere 200 years, frequently change hands for millions of yuan. There are readily available price estimates for artifacts of the past thousand of years, and abundant research is available for art lovers and collectors to refer to.

However, little research has been done on porcelain ware of the past fifty years, that is, since the founding of New China in 1949.

It is only recently that the market has begun to recognize this oversight. According to China Guardian Auctions, some ten to twenty pieces made between the 1950s and 1970s have been sold at its past three weekend auctions, which are held every two months. While it is too early to say that those New China works will become a major focus of the market, the relatively low prices are attracting increasing numbers of buyers, who may be collectors, seeking pieces to decorate their home, or may just be at the auction for the fun of it.

The concept of New China fine arts was introduced to the auction world five years ago, when China Guardian Auctions held a special auction under that name. The artifacts put up for sale all came from 1949-1979. Up until then, when porcelain from that period came up for auction, it was sold alongside porcelain from dynastic China.

It was China Guardian that first picked up on the new trend in porcelain collecting, noticing that such pieces put up for auction never seemed to be passed in. Among the objects sold are plates, vases, and brush holders of various styles, with inscriptions identifying the

in such scenes are replaced by Mao suits, while a shoulder pole takes the place of the usual fishing rod, changing the theme of the paintings from one designed to appeal to the refined taste of the literati, to one depicting a laborer's heroic struggle against the freezing weather.

As for the special technique of applying glaze, an extra layer of transparent glaze is applied over the colored painting. Sometimes, there are inscriptions on the pieces made in white, only a little darker than the cover glaze. One has to use a torch to read those inscriptions.

Many Chinese people have heard of the so-called "7501" porcelain set. This was a set of utensils made



"Learning from Lei Feng", glazed porcelain plate, 1963. Sold for 2,750 yuan

painter or the kiln. What is immediately striking in these wares are the strong period flavor and unusual technique used to apply glaze.

Period flavor and a special technique

The period flavor, simply speaking, lies in the decoration. The painters of New China porcelain were essentially the same artists who were working during the Republic of China period (1911-1949). They were skilled at the traditional designs, but a political, specifically revolutionary, theme is apparent in the New China pieces. For example, a traditional design of a magpie perched on a plum tree is found on one side of a brush holder, while a poem by Mao Zedong is found on the other side. Snow scenery was another often-seen design in pieces from the Republic of China. In the New China wares, the traditional costumes worn by figures

decorated with Mao's favorite designs: peach blossoms, plum blossoms, and bamboo trees. The name 7501 derives from the year in which they were made, 1975, and 01, meaning it was the number one priority of that year for the manufacturer.

The porcelain city Jingdezhen in Jiangxi Province had made such utensils for Chairman Mao since the 1950s. The 7501 set was the last, and probably never actually used by Mao himself. Other than the fact that the pieces bore Mao's favorite designs, the merit of Mao's porcelain was in its fineness.

Large scope for revaluation

New China porcelain is fetching steadily increasing prices at auctions. Now the highest lot, around 7 to 8 thousand yuan,

especially for Chairman Mao Zedong, including bowls, plates, tea-cups, alcohol vessels, spoons, tea canisters and ashtrays. They were

decorated with Mao's favorite designs:

was equal to the medium average prices of the Republic of China period wares, and the rest of the lots all sold at above, sometimes several times the estimate.

It is a good time to collect, while prices are still affordable, according Li Yizhou, China Guardian's weekend auction manager for Ceramics and Works of Art.

Li believes there is much scope for the value of these pieces to appreciate, especially when one compares prices for antique porcelain over the past ten years. A brush container from the imperial kiln of Emperor Kangxi's reign can fetch as much as 300,000 yuan. A high quality one of 30 to 50 years old could be an attractive alternative to those who do not have that sort of money to spend. Li also suggests that someone starting a collection might focus on a particular series, such as a special design, a particular painter, or a particular type of object.

Another advantage for collectors is that there are still few forgeries of New China porcelain on the market. Given the effort and cost of making fakes, forgers see better opportunity for profit in making "antiques" rather than younger artifacts.

The main factors in determining the value of the New China pieces are the popularity of the painters, whether the designs bear some special feature, and the fineness of the piece.

China Guardian will hold an auction this weekend, painting and calligraphy Saturday, porcelain, jewelry, and miscellaneous art works Sunday at the Paragon Hotel.



Porcelain gilt vase, 1959. Sold for 3,300 yuan

Invention of Paper Put Back 300 years?

By Li Qinghao

A recent discovery has shaken the time-honored belief that the eunuch Cai Lun invented paper in 105 AD, during the Eastern Han dynasty. Two hundred pieces of paper unearthed at Xuanquanzhi, Dunhuang, Gansu Province, suggest that paper existed as far back as the Western Han dynasty (206 BC-24 AD).

The discovery represents the largest and most varied find of pre-Eastern Han paper, covering the widest time span, from the beginning of the Western Han Dynasty through to the Eastern Jin Dynasty (265-316 AD). "Cai Lun is clearly not the inventor of paper," says He Shuangquan, a researcher in the Archaeology Research Institute of Gansu Province, commenting on the newly unearthed relics.

Disputes about the timing of the invention of paper first arose in the 1950s. At that time, a new school of thought challenged the commonly accepted theory, arguing that unearthed paper relics pre-dating the Eastern Han dynasty pointed to an earlier discovery date. Supporters of the status quo maintained that these discoveries could not be called real paper, as the quality was so poor and the technology at that time was still elementary. Cai Lun, they stressed, is the person who really brought the technology to maturity.

In 1986, another discovery of ancient paper was made in Gansu Province. Not only was it of a much better quality than the earlier discoveries, it also bore some elegant designs and distinct maps. This find added weight to the theory that the Chinese had mastered the technology of making high-quality paper in earlier Western Han dynasty.

The latest find provides the strongest yet evidence in support of those who would rewrite the history books. Supporters of Cai Lun however, are not yet ready to concede defeat.



Porcelain plate painted by Deng Biqiao, 1952. Sold for 4,180 yuan

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Director Finds Confidence in Debut Success



Jiang Wen (right) in The Missing Gun

By Zhu Lin

The enthusiastic reception students gave *The Missing Gun* director Lu Chuan at the Tenth China Film Festival for College Students bought tears to his eyes.

Speaking after the screening at China Film Archives, 31-year-old Lu said, "The vanguard of mainstream films should be occupied by young directors. I hope to prove that we can make more money than the older directors."

"I express my generation's way of observing the world in this movie," said Lu, "It's different from the generation of Zhang Yimou and Jiang Wen."

Jiang Wen plays the role of Ma Shan, the hero. Ma is a police officer living in a remote town. One day he loses his gun and from that point, his life starts to spiral out of control. While he starts to suspect people he knows, his relationship with his wife also suffers.

In the director's eyes, Ma's life is like that of an amoeba, an organism at the bottom of the food chain. "He gives up the ability to metamorphose at last and loses the right to be an amoeba," says Lu Chuan, "So he must play with his life. When he's so cowardly that

he can only give up, this is a kind of bravery."

Lu says his film touches at least part of the truth of life. "Directors of the fifth generation have been used to simplifying the truth, such as the logic in Zhang Yimou's *The Story of Qiu Ju*. It's something idealistic, but I want to express my own thinking on life."

Audiences, especially the young, echo this sentiment. "I can feel Jiang Wen's power in the film," said Zhang Wenjing, a college student attending the film festival, "But I also catch a different air, and that's Lu Chuan's own interpretation." Another student, Luo Jun commented, "I think the spirit of the film is like the endless but hopeless searching in Kafka's works."

Lu's low budget debut was completed last year at a cost of two million yuan. Even before its release, the film was being hyped as "one of the best Chinese films." Last July, Columbia Pictures bought the overseas rights and plans to release it globally by the end of this year.

The Missing Gun opened in cinemas in Beijing on Thursday.

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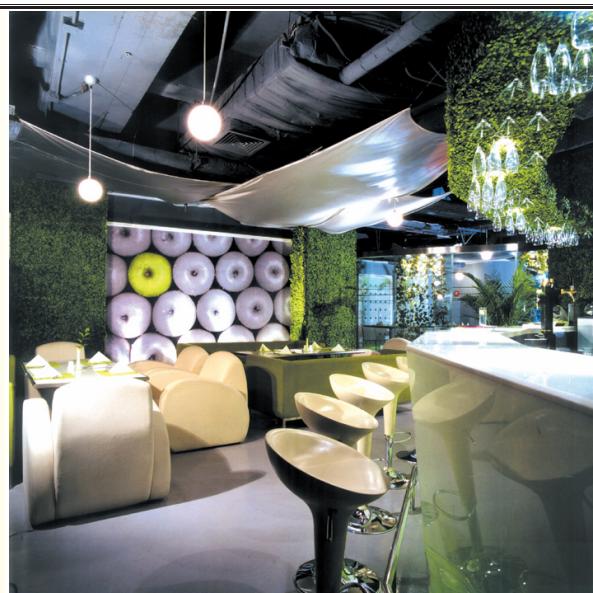
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Korean Dance Born from Tradition

By Yi He

The ChangMu Dance Company, one of the earliest modern dance companies to be established in South Korea, will perform next Tuesday as part of the Beijing Modern Dance Festival.

They will present *Shim Chung*, a crossover between Korean modern and traditional dance at the Experimental Theatre of the Beijing Modern Dance Company.

Artistic director Kim Mae-ja, also the founder of the company, "aims not only at reconstructing 'movement' representative of various periods of Korean dance but also at reflecting the contemporary thought," commented Dance Magazine, New York.



Picture from Dream Ahead

Musical Dream Comes to Stage

By Zhu Lin

A young girl stepping into a Broadway theatre for the first time in her life has a premonition that this night will change her life. This is how *Dream Ahead*, a musical play performed by Star Musical Theatre from Japan opens.

The girl in the story is Nakagawa Kumi, who in real life is the choreographer of Star Musical Theatre. *Dream Ahead* is an adaptation of Kumi's life story, telling about her difficult path to becoming an actress.

As the character of Kumi says in the musical, "When you are watching a good performance, if you have the desire to join or create your own thing, that means you have your dream in your heart."

Dream Ahead will be staged at the Century Theatre on May 17 and 18.



Picture from The Crucible

Photo by Cui Jun

Heart Laid Bare in The Crucible

By Zhu Lin

About his production of Arthur Miller's *The Crucible*, director Wang Xiaoying says, "The story is a moral. The town of Salem works as a crucible in the laboratory of human beings, refining people's innermost humanity and capacity."

Although the story of *The Crucible* is based on an actual event, the witch trials that took place in Salem, Massachusetts in 1692, the play is a blend of fact with fiction. As Miller said of it, "The play is not reportage of any kind... what I was doing was writing a fictional story about an important theme."

After several young girls are caught performing voodoo and dancing in the woods, they invent a story about being bewitched by local housewives in order to escape punishment. The number of townspeople implicated rapidly escalates, as each accused "witch" is faced with the choice of confessing to a crime they did not commit and naming others who are also innocent in order to save their own life, or maintain their innocence and face death. The irony is that the accused can save their lives only by admitting guilt, while any protestation of innocence or criticism of the court is considered proof of guilt.

Farmer John Proctor is one of the few characters in the play who remains rational as the town becomes gripped in a wave of anti-witch hysteria. At first, he just wants to save the life of his wife, one of those accused by the girls. But later on, as he refuses to confess to practicing witchcraft, he finds his true self. At the end of the play, as he is led away to be hung, he says, "There's the first miracle you made, that I see some shred of goodness in me."

The Crucible, written as a scathing criticism of the McCarthy anti-communist purges in the US in the 1950's, has a universal theme, and is a warning of how a society can get caught up in a moment and act in an irrational manner.

The Crucible is showing till May 19 at the Children's Arts Theatre.

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Performances

Recite Modern German Dramas

Helmut Krausser: Lederfresse; Den Loher: Klaras Verhaeltnisse; Marius von Mayenburg: Feuergesicht and three others.

Where: Black Box Theater, 39 Dongmianhua Hutong, Dongcheng District. **When:** May 20-25. **Tel:** 6841-7891.

Expressions Dance Company (Australia)

Art director: Maggi Sietsma. Founded in 1985, the company savors creativity and energy. Its representative works are *Sleep with Loneliness* and *Life Jigsaw*.

Where: Beijing Modern Dance Group Experimental Theater. **When:** May 17, 18, 7:30pm. **Admission:** 40-100 yuan. **Tel:** 6758-7161.



Expressions Dance Group

Changmu Dance Company (South Korea)

Art director: Kim Mae-ja. Founded in 1976, the company combines traditional and modern concepts. The company specializes in Shim-Chung, an adopted Pansori, a traditional talking and singing drama of Korea.

Where: Beijing Xiqu School Rehearsal Theater, Yangqiao, Nansanhuanlu. **When:** May 14, 7:30pm. **Admission:** 40-100 yuan. **Tel:** 6758-7161.



Japan Star Music Play

Music from Japan Star Music — Dream Ahead

Where: Century Theater, Liangmaiqiaolu, 1km east of the Lufthansa Shopping City. **When:** May 18, 19. **Admission:** 60-580 yuan. **Tel:** 6555-1900, 8528-2236, 6466-3311 ext. 3161.

Bike Ride

Huanghai Cheng Great Wall to Taoyu Reservoir

Where: Changping County, north of Beijing. **When:** May 11. **Riding time:** 3-4 hours. **Route:** Passing Huanghuacheng Great Wall to a village with a reservoir. A bus and trucks follow people to help them with hills if needed. All paved roads. **How to join:** mail to bjhikers@yahoo.co.uk

Weather

Friday Clear to cloudy
May 10 Max: 25C. Min: 14C.

Saturday Clear to cloudy
May 11 Max: 26C. Min: 15C.

Monday Cloudy to overcast
May 13 Max: 23C. Min: 14C.

Tuesday Overcast to cloudy
May 14 Max: 23C. Min: 15C.

Wednesday Cloudy to clear
May 15 Max: 25C. Min: 13C.

We are glad to receive your feedback. We will print employment, language exchange and accommodation info for individuals. Feel free to email us at bjtodayinfo @ ynet.com or call 6590-2520. By Priscilla / Lydia

Music

Splendid May - Concert for Young Friends

By China People's University Orchestra. Conductor: Jiang Xiongda.

Where: Forbidden City Concert Hall, Zhongshan Park. **When:** May 18, 2pm. **Admission:** 10-60 yuan. **Tel:** 6559-8285.

Tour Musique en France

Conductor: Olivier Grangeon. Program: Berlioz: Roman Carnival; Debussy: Prelude to the Afternoon of a Faun; Bizet: from Carmen, L'Arlesienne; Ravel: Bolero, Pavane; Ducas: L'apprenti sorcier.

Where: Forbidden City Concert Hall, Zhongshan Park. **When:** May 18, 7:30pm. **Admission:** 50-280 yuan. **Tel:** 6559-8285.

Music at CD Cafe

USA, France, China DJ Show

When: May 12.

Musical Instrument Show

When: May 17.

Chinese bands: Mu Tui Gua, Bu Yi and Mu Guang.

When: May 19.

Where: CD Cafe, Dongsanhuanyu, south of the Agriculture Exhibition Hall. **Tel:** 6501-8877 ext. 3032.

Music at Bars

Band performance: Radiation. Schiller's 3, west gate of Chaoyang Park. May 10, 9pm. 6593-1078. Live Irish Band Performance, PJ O'Reilly's, May 10, 11pm, 6559-4218. An activity organized by the magazine I Love Rock 'n' Roll, Get Lucky Bar, May 10; Mn Record Music Festival, May 11, 6429-9109.

Exhibitions



Photography by Yu Quanxing

'Mothers' — On-the-spot Photo Exhibition of Western China By Yu Quanxing

Where: Popular Photography, 22 Meishuguan Dongjie, Dongcheng District. **When:** May 12-19. Slide show: May 11, 2:30pm. **Admission:** free. **Tel:** 6525-1453, 6527-9098. **Web:** www.pop-photo.com.cn

Gorgeous China — Joint Landscape Paintings Exhibition

Works by Zhang Bu, Song Di, Du Yingqiang and Feng Zhanglin. They have



Painting by Han Xuejun

traveled to various corners of China, seeking inspiration, life experience and beauty of nature.

Where: West Hall of Wan Fung Gallery, 136 Nanchizi Dajie, Dongcheng District. **When:** till May 17, 9am-5pm. **Admission:** free. **Tel:** 6523-3320. **Web:** www.wanfung.com.cn

Sports

Football Matches

May 11, 9:55pm, English Premiership Live.

Where: Club Football Center. For more information of matches, call 6417-0497.

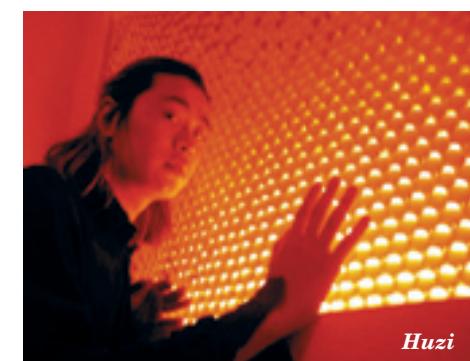
Courses

Lecture: Dream of the Red Chamber and Chinese Culture

Zhou Ruchang, 84, a scholar of this novel, will host a lecture in English again, focusing on the cultural essence reflected in the novel, from language and manner, architecture and inner decoration to lifestyle and people's minds.

Where: Bamboo Garden Hotel, south of the Gulou Subway station, northwest of the Drum Tower. **When:** May 18, 2:30-5pm. **Fee:** free. **Tel:** 8462-2081, 1350 1035145.

Savoring Chinese Music and Learning to Play Musical Instruments



Huizi

Huizi's Music

"I think I changed my music from melody to samplings with funny and dark environment, I want use my music to create a picture of the flashing moment of my life." Every Wednesday, live with laptop+records + instruments by Hu Zi.

Where: Jia 55, Jia 55, Xingfuyicun, Chaoyang District. **Admission:** free. **Tel:** 6416-2063.



Modern Art Space — Joint Oil Painting and Sculpture Exhibition

A group of young and talented Chinese artists show different styles and subject matters, expressing their minds through different materials. Their observation reflects life through young Chinese eyes.

Where: East Hall of Wan Fung Gallery. **When:** May 28, 9am-5pm. **Admission:** free. **Tel:** 6523-3320.

New Exhibition after Moving to New Address

Oil paintings and Chinese paintings. Oil paintings by Jiang Tianyu, Liu Fenghua, Sun Dingyu, Yu Xiaodong and Yangchun Baixue. More than 30 Chinese paintings by Liu Chunming, Liu Yan, Wang Luxia and Lu Tianning.

Where: 1-1-E, Huaweli, Chaoyang District, north of Beijing Curio City. **When:** May 15-31. **Admission:** free. **Tel:** 6507-4062, 1360 1038025.

Works Exhibition by Zhou Xianglin

Where: International Art Gallery, Wangfujing Dajie, Dongcheng District. **When:** till May 15, 9am-6pm. **Admission:** free. **Tel:** 6513-3388 ext. 1207.



Oil painting exhibited at the Qing Gallery

Beijing Ducks Cricket Club

Where: Western Academy Beijing. **When:** May 11, 3:15 pm at the Great Wall Hotel lobby, 4pm at WAB. **E-mail:** saz_kazmi@yahoo.com

Movies

Jiu Xiang

Directed by Sun Sha, starring Song Shunli, 1990, 90 minutes. This film takes place in rural northeastern China. A young widow with five small children falls in love with a local coal miner. She wants to marry him, but meets strong resistance from her children because to do so would be against the traditional Chinese notion that a widow should never remarry. She succumbs to their wishes and the miner leaves the village to live in town. The years pass and she works hard to bring up her children. After all of them have grown, she sets out in search of the coal miner, her former lover.

Where: Cherry Lane Movies. **When:** May 17, 8pm. **Admission:** 50 yuan. **Tel:** 6461-5318/9.

Paisa (Paisan)

Directed by Roberto Rossellini, 1946.



Jiu Xiang



Language: Italian with French subtitles.

The second neorealistic manifesto of Robert Rossellini, this movie brings to life the progressive liberation of Italy by the American Army. By following a space-time based route, from Sicily to Venice and from July 1943 to winter 1944, Paisa echoes the sufferings of a country searching for its lost dignity.

Where: Cultural Office of the Italian Embassy, 2 Sanlitun Dong'erjie, Chaoyang District. **When:** may 16, 7pm. **Admission:** free. **Tel:** 6532-2187.

For Mother's Day



Chocolate box

Mother's Day Celebration

Mother's Day lunch buffet, from 12-2pm at 90 yuan +15% service charge per adult and 50 yuan +15% service charge per child under 10 inclusive of free flow of local soft drinks and beer.

Where: Cafe California, Harbour Plaza Beijing. **When:** May 12. **Tel:** 6436-2288 ext. 2617.

Mother's Day

Brunch buffet 188 yuan +15% service charge. Photographer will take a picture for families of this memorable Mother's Day.

Where: Grand Cafe, Grand Hyatt Beijing, Beijing Oriental Plaza, 1 Dong Chang'an Dajie. **When:** May 12. **Tel:** 8518-1234.

Cookies for Mother's Day

Special cake for Mother's Day, 288 yuan. Chocolate box (nine pieces): 188 yuan; (25 pieces): 288 yuan.

Where: Patisserie, Grand Hyatt Beijing. Order by fax 6510-9210 at least 49 hours in advance.



Chocolates

Activities

Havana Cafe Happy Hour

Every Sunday to Thursday 1-9pm, all drinks half price.

Where: north gate of Workers Stadium. **Tel:** 6586-6166.



Mid-week Rescue

300 bottles free beer. All night vodka, tequila and whisky 15 yuan. Happy hour 7:30-8:30pm, Every drink is 10 yuan.

Where: Vics, north gate of Workers' Stadium (Gong Ti). **When:** May 15, from 7:30pm. **Admission:** free. **Tel:** 1390 1022644 (Chinese), 1380 1116216 (English).

Young Professionals Happy Hour

Hoegaarden Beer Promotion. All Hoegaarden beers will be 20 yuan per glass (normal price is 35 yuan). Food available.

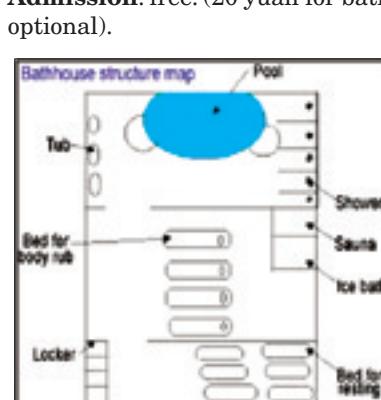
Customized wine dinners. The themes "intro to wine" and "around the world with the Syrah Grape" involves blindfolding wine drinkers to try and identify wines. Includes Lynch Bages at 200 yuan a glass.

Where: Courtyard Restaurant, perched on the moat of the Forbidden City. **Tel:** 6526-8883.

Visit Traditional Chinese Bath House

Experiencing the public bath, back scrub, pedicure, bahuoguan (hot bot-tles) and Guasha (skin-scraping).

Where: 4 Hufangqiao, Xuanwu District, opposite to the Huguang Theater, south of Liulichang Cultural Street. **When:** May 11, 5-7pm. **Admission:** free. (20 yuan for bath, optional).



Inner map of a bath house



A vertical column of news stories on the left side of the page, with a large photograph of a man working on a tall, curved glass structure on the right.

This week *Beijing Today* celebrates its first birthday. Our first edition appeared May 11, 2001. It is far too early for speeches or laurels. The staff of *Beijing Today* must say “thank you” to our loyal readers, not just for your encouragement, but also your criticism. And please believe us when we say we are working hard to build a better newspaper to serve your needs.



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